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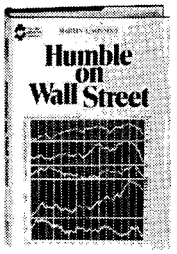

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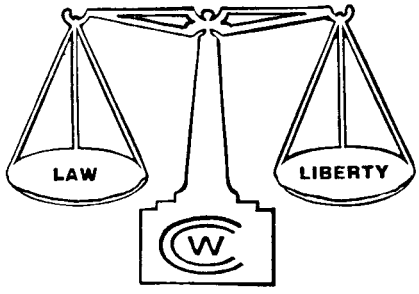

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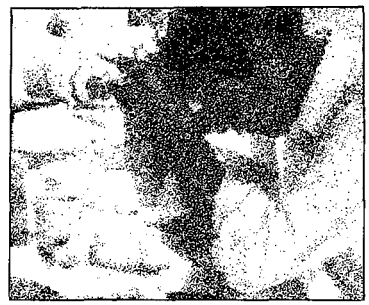

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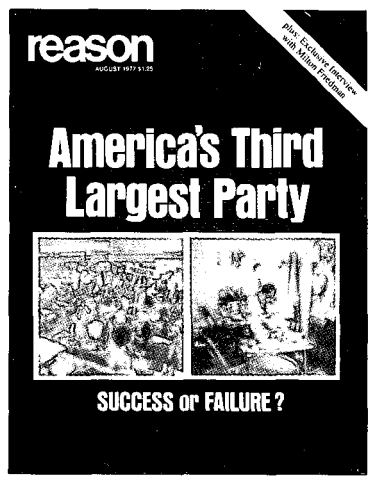

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letters

I.D. Card Trial Balloon

It has been brought to my attention that in your March Trends column you printed an item stating that "Frances Knight, Director of the Passport Office created quite a sir with her call for a national identification card for every citizen. Knight's proposal, widely regarded as a trial balloon to test public reaction, now appears to have received its coup de grace." The source for this item was listed as the AP release out of Washington dated December 9, 1976.

We have checked with the AP and received a copy of their story as it appeared in the Los Angeles *Times* on *December 8, 1976* and we find no such reference to me, however, that is not the point of this letter. I wish to state emphatically that at no time have I *called for an identification card for every citizen.* At no time have I participated in launching a "trial balloon" for any segment of the Federal government nor for any organization or private cause. I would like to see your source for the statement that I have "advocated" such an action, or made a "call" for a national identification card for every citizen. Indeed, I was asked a question in an interview over two years ago as to whether there was a need for some form of *nation-wide registration* and I replied that due to the growing document fraud situation, the use of fraudulent identities by criminals and the impact of over ten million illegal aliens in the United States, some form of an identity card or document will eventually develop. The time will come when the taxpayers of this country will not be able to afford the conservative estimate of $20 billion going down the drain annually as a result of the use of fraudulent identities by criminals. I certainly do not expect to see national I.D. cards issued by the Federal government to all U.S. citizens in my life time but it is interesting to note that over 34 states have already initiated a system of I.D. cards issued to protect their law-abiding citizens from the criminal elements within the state borders.

Countries such as France, Belgium, Denmark, Switzerland, Norway and Sweden have had a national I.D. system for decades and certainly no one would accuse these nations of being Communist or Fascist. Their citizens do not consider I.D. cards an invasion of their privacy.

Furthermore, the editor of Trends failed to report that the Passport Office was not only instrumental in the establishment of the Federal Advisory Committee on False Identification but my Deputy chaired the largest subcommittee of this Advisory group and was personally involved in the preparation of the final report and its recommendations to the Attorney General. Recommendations from the Passport Office have been incorporated but we certainly did not at any time call for a national registration card which under no circumstances could ever be linked to the United States passport. This is a matter of record and we would like to keep it straight.

Frances G. Knight
Director, Passport Office
Washington, DC

MR. POOLE REPLIES: The comment in Trends about Ms. Knight began with the words "Two years ago...." Its source was not the recent AP story but rather a published interview in February 1975. In that widely quoted interview Ms. Knight stated: "It is my considered opinion that the U.S. government owes every American citizen a true, recorded national identity to protect him from criminal impersonations....I predict that national registration eventually may come to this country because it will be demanded by citizens who are sick and tired of supporting nontaxpaying criminals and illegal aliens." This statement was reported in REASON's May 1975 issue (p. 30). Opinions may differ as to whether or not this statement by a high government official represented advocacy or a trial balloon. We are glad to publish Ms. Knight's clarification of her intent, and only wish that her original comments had been less subject to misinterpretation.—**R.P.**

Illusion of Reform

One slip in Tim Condon's generally accurate article about the ICC [April] reminded me of a transportation colleague's comment that too much libertarian writing reads like a press release designed to magnify our progress in rolling back the State. I refer to Condon's claim that the Railroad Revitalization and Regulatory Reform Act of 1976 "permits railroads to set

their own rates without ICC approval." Untrue, unfortunately. The RRRRA *restricted* the ICC's power of suspension only if changes in a rate during one year total less than seven percent up or down, only if the rate change is filed specifically under Sec. 15(8)(c) of the Interstate Commerce Act before February 5, 1978, only if the rate change is not of general applicability, and only if no one with standing makes a complaint that the proposed change "constitutes a competitive practice which is unfair, destructive, predatory or otherwise undermines competition which is necessary in the public interest." As a result of the political dickering necessary to secure this not-very broad ratemaking "liberty" the Commission's antitruster friends gained for it the new power to suspend and prohibit rates on the basis of a railroad's "market dominance." The Act's seven percent "tinkering zone" affects only the ICC's power of suspension based on the rate's *level*: nothing changed the applicability of sections 2, 3 & 4 of the Interstate Commerce Act regarding unjust and unreasonable rates, nor the railroad's burden of proof to establish that changes are not in violation of those sections. Especially upon consideration of the continued health of the cartelized rate bureau system and the unchanged incentives handed railroads by the rest of the commerce statute, one can only conclude that the railroads are a long way from being free of price controls—explicit or implicit. Indeed, the main impact of the regulatory reform act seems to have been one of throwing a decidely temporary and minor sop to regulation's opponents as a way of lulling them into silence.

William D. Burt
Polytechnic Institute of New York

Gunned Down

AT LAST! An article [May] that clearly and concisely, with supporting data, shoots down the anti-gun nuts! Thank you.

I may not agree with everything you print but I fully agree with the idea of liberty for all people with restraints only applied when one person extends his liberty far enough to infringe on others' liberty. Nowhere has this been more rampant than in the matter of firearm ownership. Right now, powerful leaders and well-financed groups are attempting to brainwash the people into an unreasoning hatred of guns and gun-owners. The Second Amendment rights we have cherished for so long are in immediate danger of destruction.

Thank you for speaking out against this frightening trend toward what many fear to be some form of totalitarianism.

George Williamson
Evergreen Park, IL

Liberty and South Africa

I cannot let Marc Swanepoel's latest column [April] remain unanswered. His categorization of the revolutionary movements in Southern Africa suffers from the same conservative bias that is probably the most important factor in the failure of any pro-freedom advocates to have *any* impact on the peoples of Southern Africa. Again and again Mr. Swanepoel writes like this: "the so-called 'black leaders' are all confirmed Socialists'", "the South West Peoples Organization (SWAPO), an outspoken pro-socialist group." Then to cap it all he writes: "I detest the harsh security laws where people are detained without trial—but I have to admit that most of these people who are *eventually* brought to trial have been *conspiring* to overthrow the existing system with violence and replace it with a Communist system." [Emphasis added.] This, to borrow a phrase from Ayn Rand, "I submit is obscene."

Does Mr. Swanepoel mean to say that as libertarians we should not defend the rights of communists, socialists and freedom fighters to self defense? Does Mr. Swanepoel mean that one should not conspire to violently overthrow those who are violently suppressing one?

To those so-called defenders of freedom who are now with righteous glee pointing to the suffering in Mozambique and Angola I would put the question: "Where were you during the 50 years of Portugese dictatorship, and why did you leave the fighting to the communists?"

The American revolution was a success precisely because the signers of the Declaration of Independence were willing to lose their privileges, power, and property and did not flap about the country prattling about the evils of one-man, one-vote, or that the Tea Party of Boston was the work of a small group of inhabitants of Massachusetts, or of giving these people separate areas where they could eventually develop to self government.

To quote from Ms. Doris Lessing's book *Going Home:*

"With the opposition in South Africa defeated, and filth being piled on its memory by very efficient propagandists, I want to pay tribute to the Communists and Socialists there who fought so well

Continued on p. 9.

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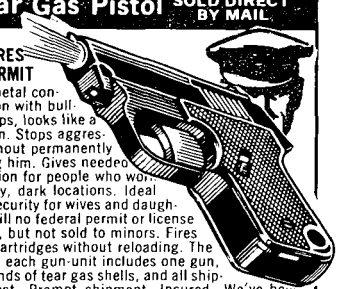

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Whither the Libertarian Party?

editorial

This issue of REASON explores the accomplishments of the six-year-old Libertarian Party. During the past year considerable controversy has arisen over the LP—concerning both its role and its strategy and tactics. Some of these issues are discussed in our lead articles, and in the interview with Milton Friedman.

The fundamental question is this: can a libertarian political party be an effective means of bringing about a free society? One's answer to this question depends on what one conceives the role of such a party to be. And here some history is worth recounting.

In 1971 and 1972 when the LP was first being organized, many thoughtful people were hostile to the idea, seeing politics as basically the business of wielding power and finding that (correctly) to be incompatible with the libertarian philosphy of noncoercion. Never fear, they were told. The purpose for organizing a libertarian party is to take advantage of the great opportunity that political campaigns provide for exposing people to the philosphy of freedom. Electing people to office would only be the "ostensible goal," wrote Mike Holmes in REASON (May 1972)—the real purpose would be educational.

This argument proved persuasive, and many people joined the LP. And indeed, significant media coverage resulted, far more than anyone could have predicted from the party's very small initial membership. Thousands of people first learned about libertarianism via LP election campaigns.

But along the way the LP began to grow up. A slate of competent, professional national officers was elected in 1974 and plans were laid for a massive 1976 presidential campaign. And a new theme began to be heard: that of making the LP into a serious national political party—and more: of displacing the GOP to become Number 2. Roger MacBride, in REASON, compared the LP's position with that of the emergent Republican Party 120 years ago. In a span of only six years the newly formed Republicans completely displaced the Whigs, electing Lincoln to the presidency in 1860. This was the model for the LP, said MacBride. We thus witnessed a fundamental shift in emphasis from strictly *education,* to education and *winning elections,* as the LP's means of bringing about a free society.

American history is replete with examples of political parties of both kinds, each playing its own kind of role. On the one hand, there is the archetype *educational* party—the Communists, the Socialist Workers, the Progressive Laborites—whose role is to publicize its philosophy and attract members to its movement. Such parties have no illusions about winning elections (except in rare instances); their goal is to spread ideas. An educational party *can* bring about change; it can shift the terms of political debate in a direction favorable to gradual co-optation of its positions by the parties in power. It can also accomplish change by attracting members who can infiltrate other organizations, carry out research, and a host of other activities.

By contrast, the fundamental change strategy of an *electoral* party is to get people into office so that, once there, they can accomplish the party's program. For an ordinary party, this would mean creating new laws and programs. For a libertarian party, it would involve repealing laws and abolishing programs. The goal of such a party's campaigns, though it may include spreading its ideas, is basically to get the people into office

For an organization to be effective in achieving its goals, it must tailor the use of its limited resources in accordance with those goals. The goal of electing libertarian candidates to office is not the same thing as the goal of spreading the libertarian philosphy and attracting new members to the movement. Though obviously *related,* the two goals call for quite different allocations of resources—different kinds of literature, a different marketing approach, different kinds of staff and organization.

Ignoring this distinction, some would have the LP adopt a purist, "abolitionist" approach, limiting the party's platform to a call for the *immediate abolition* of all forms of coercion (taxation, welfare, the military—you name it). There are times and places for such advocacy, as a means of education. But when it comes to getting people elected, quite a different approach is needed. As in the MacBride presidential campaign, voters must be presented with a *program* that addresses their concerns and that appears achievable in the real world. (Hence, while clearly stating his opposition to taxation, MacBride advocated tax *cuts,* not elimination; while opposing public education on principle, he endorsed the voucher system as a transition program.)

But LP members have failed to come to grips with this problem. The debate within the party on gradualism vs. abolitionism is really a debate about what kind of role the party should play—*but the issue has not been identified in those terms.* The members and leaders of the LP must face up to this question and decide what kind of a party they prefer to be. In making this decision it is vital to keep in mind the distinction between the Libertarian Party and the libertarian movement. The libertarian movement is an incredibly diverse collection of individuals and organizations, many of them educational and quite a few of them non- or antipolitical. This is as it should be. There is no one "right way" to go about creating a free society. It has never been done before!

Whichever role the existing LP decides to play, the rest of the libertarian movement can take on other, complementary roles. If, for example, the LP decides to be primarily an *educational* party, those people who wish to pursue a free society by directly effecting political change (repealing laws, abolishing agencies) can pursue a number of alternatives: working for issue-oriented political action groups (NORML, NTU, Libertarian Advocate), running libertarian candidates for office as Independents or as Republicans (like Ron Paul) or Democrats (like Woody Jenkins). If, instead, the LP decides to be primarily an *electoral* party, those of an abolitionist bent can find much work to do in existing educational groups (SIL, IHS, CLS, Cato Institute, etc.). There they could research and publicize the workings of a purely *laissez-faire* society. They could also organize a smaller, more radical party to carry on educational efforts on this more abstract level.

The real danger is that the LP will attempt to play both roles simultaneously, producing a creature that is neither fish nor fowl. What will likely happen in that case is that the two goals will continually undercut one another, producing candidates and platforms too "radical" to win elections but too "pragmatic" to attract a hard-core following. Were this to occur, it would surely be a tragedy for the future of liberty.

Robert Poole, Jr.

letters

Continued from p. 7.

and bravely....They can be faulted on mistaken judgments about the Soviet Union, and on their analysis of the 'class struggle' in Africa, but not on common sense about the colour struggle, nor on courage, nor on humanity. When I became political and Communist, it was because they were the only people I had ever met who fought the colour bar in their lives. Very few other people did—not the Labour Party...not the 'liberals'...not the members of the churches. No one. But when you joined the Communists you met, for the first time, people of other races, and on equal terms. It was for this reason the Communist party had influence; not because of its theories."

I could go on and cite statistics and instances of the brutal horror of the South African system. People I know have been persecuted and prosecuted on the flimsiest of pretenses. Yes, some of them are communist and socialist, but what they had in common was a disgust at the racism of the system.

As libertarians it would not do for us, like the conservatives, to support any regime from the Republic of Ireland to South Korea to South Africa, so long as the leaders are religious and one can still make a good profit there; or, like the left, support any regime from North Korea to Bangladesh to Tanzania, so long as their leaders are *not* religious and mouth Socialist platitudes. We, above all, should not be so terrified of communism that we would accept and legitimize fascism.

This is why we should be wary when Mr. Swanepoel says: "[South Africa] is one of the few remaining bastions against communism, the demise of South Africa will indeed be a sad day for the West." With bastions like that who needs detente? And I will be damned if I am going to shed one tear on the demise of the South African regime. Mr. Swanepoel shows an extreme lack of intellectual honesty when he categorizes South Africa as "a relatively capitalistic" system when he himself writes: "I regret that honest, law abiding blacks cannot own property in or near white cities," neglecting to add that it is difficult for a black man even to own property in his so-called "black homelands" where the land is tribally controlled (under the supervision of the white South African government) and owned. He neglects to mention that blacks are severely restricted in acquiring and selling even their skills on the "open market" and yet he has the nerve to call this system "*capitalistic*"; elitist fascist would be a far more accurate description.

To his last sentence "Oh liberty, what crimes will be committed in thy name" I reply that I, for one, am going to take my chances with the crimes committed in the name of liberty; but with crimes daily committed in the name of security, anti-communism, law and order, profit, privilege and, above all, race, I have no chance. For even as a white South African I would, should I return now, again be enslaved by the South African Army. As a "runaway," my mail to and from that country disappears or is opened and read. I dare Mr. Swanepoel to openly distribute to the young men of South Africa Libertarian position papers against the draft. These white young men who are now "volunteering" to fight those black young men who in their struggle to comprehend the concepts of freedom were given *only* the answer of the communists.

Rudolph J. Laubscher
Hollywood, CA

Hook on Rights

Thank you for the revealing interview with Dr. Sidney Hook [May]. I am truly shocked that someone with the international reputation of Sidney Hook is so inconsistent and oblivous of the contradictions in his statements. I was especially intrigued by his fundamental statement on "natural rights" of humans: "they do not exist in *rerum natura.*" In other words, each of us is *given* his rights by society (the State). No wonder that there can be no understanding between socialists and individualists.

David Michael Myers
Hughesville, MD

Abortion and Rights

Beverly J. Combs doesn't understand the abortion issue [May], but conservatives who protest abortion as well as gun control, side with individual rights. On both questions. Abortion is not a religious issue covered by the First Amendment. It is a moral issue. Abortions kill children and as an atheist, I object on libertarian grounds.

All living human beings have the right to life. The fertilized egg and the old person are one and the same individual, a well known fact of biology. Beverly rejects the valid idea that human life begins, therefore, at the "moment of

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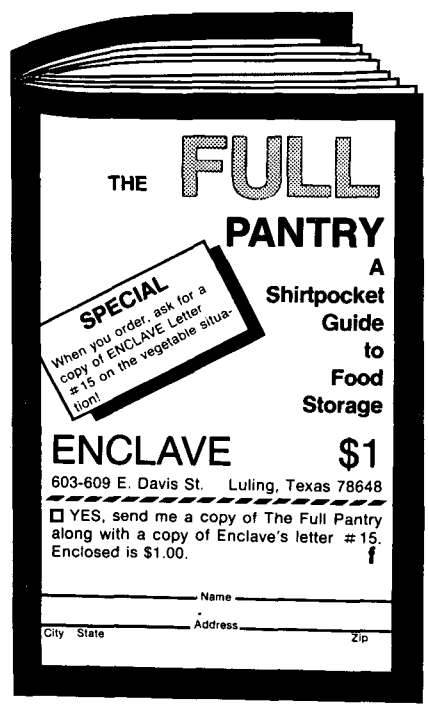
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conception," but she made no attempt to present her idea of what is the moment.

Proabortionists try to deny the humanity of the unborn by pretending that there are two classes of living human beings: those with rights and those without. Rather than admit that rights are a corollary of human existence, they say that some people have the right to determine the rights of others. That is a dangerous idea which governments have applied many times in the past with pernicious results. But government actions, past or future (Beverly's "bedroom amendment") are immaterial to the abortion issue itself.

Doris Gordon
Acting Chairman
Libertarians for Life
Wheaton, MD

MS. COMBS REPLIES: Conservatives who protest abortion as well as gun control, are doing exactly what I said—fighting for the Second Amendment while trying to destroy the First Amendment.

Ms. Gordon seems to think the religious belief that men may bomb babies in the name of war, or cause a woman to abort in the name of war, is immaterial to the abortion issue. In other words, what *men* do is immaterial and irrelevant. Now you let some *woman* stand up and declare she has the right to go into combat, and bomb children and pregnant women—in self defense, of course—and most of these conservative "pro-life" men have a twitching fit: "That's a man's job! Besides, we can't allow women to die on the battlefield!"

But let a woman die in childbirth or from a pregnancy-related illness, and these men don't blink an eye. Yes, they'll allow any number of women to die in the name of "right to life."

And what kind of life does Ms. Gordon think people have a right to live? She says "government actions past or future are immaterial to the abortion issue itself." In other words, the probable results of the anti-abortion amendment are immaterial—just keep those blinders on, and get it passed!

Ms. Gordon says abortion is not a religious issue, but a moral issue. I say the "right to life" group professes great love and concern for the "unborn"—which they have *not* seen. But it seems to me they show little love and concern for the born—which they *have* seen.—**B.C.**

Categorization

I could almost believe it was planned that way: Tibor Machan's article, "In Defense of Philosophy," and the Spotlight article on Petr Beckmann in the same issue. Just compare the following quotes.

Machan: "There is a good deal that is objectionable about dividing the world into various departments and claiming that all of it fits into one or the other. It encourages elitism, bad blood among otherwise decent folks, and so forth. But most of all, it is unfounded. Reality is a rich mixture, and coping with it rationally cannot amount to reducing it to a simple formula. Incidentally, there is also much more fun in diversity, should anyone be concerned with that."

Beckmann: "My long-term goal is the defense of science and technology against superstition, sham-environmentalism, the 'small is beautiful' mentality and other types of hypocrisy, which, in my view, is part of the struggle of individualism and the free enterprise system against statism of all sorts."

I can't imagine a better example of what Machan thought objectionable than Beckmann's statement. Categorizing what you oppose as hypocrisy ("Them people are crooks and liars and they know it!") has kept this planet in a state of exciting, although somewhat bloody, turmoil for quite a few thousand years.

Guy W. Riggs
Poughkeepsie, NY

Ingratitude

While reading Sam Konkin's letter [May] re John Hospers' article "Getting from Here to There," the quotation "Casting pearls before swine," kept running through my mind. The inevitability of this happening to men of Hospers' stature, who are published all over the world, is understandable; the waste, never will be.

Shirley Gottlieb
Reseda, CA

Letters from readers are welcome. Each receives editorial consideration, although only a selection can be published and none individually acknowledged.

reason's comment of the month

The commentary below by subscriber Lionel A. Waxman, was broadcast in April on WCAU/-CBS Radio News in Media, PA.

TAX SALE

Governor Shapp says he wants to raise the State sales tax to seven percent because the State needs more money—for a change. Well, Waxman has a better idea! Let's take a page from business' book. When business has slow periods, it runs a sale. By lowering prices instead of raising them, it increases volume and income. Let's have a tax sale. For just thirty days, let's cut the sales tax to two percent. Give it plenty of publicity, and then stand back and watch what happens. I think what will happen is that you'll see a gigantic rush to buy things at the big discount, especially discretionary purchases and big ticket items. Merchants will probably get on the bandwagon, cutting prices to make the sales irresistable. I think you'll see people from the surrounding states with higher taxes rushing in to make their purchases in Pennsylvania. I think you'll see higher business earnings in Pennsylvania, with resulting higher business profit tax revenues, and I think you'll see jobs created by the mini-boom, reducing unemployment and welfare costs. The net result would be a big show of what would happen if taxes everywhere were cut, in a demonstration of the debilitating effect that taxes have had on our economy up to this point. Would the net cash flow to the State be increased or decreased? I don't know, but I think it's worth a try. It would be a noble experiment. I'm Lionel Waxman, for Spectrum on the Economy.

Lionel A. Waxman
Media, PA

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brickbats

☐**In 1975 and 1976,** according to a Senate committee report, the CIA eavesdropped on various independence movements in American-occupied Micronesia, and recorded conversations that may or may not have been subversive. The CIA can't find a trustworthy linguist to translate the tapes, you see.

☐**And here's a report from Turkey,** where Traditional Values are revered: "In the permissive, confused atmosphere of the cities, young people often look for heroic models and easy answers. The leftists brandish posters of Che Guevara and Mao Tse-tung. The rightists revere Tamerlaine and Attila the Hun." (*New York Times,* May 23, 1977). Didn't know YAF had a chapter in Turkey.

☐**Lewis B. Hershey, Slavecatcher General** to six presidents, died on May 20, 1977, at the age of 83. As head of the Selective Service System during three wars, he presided over the forcible abduction of more than 14 million American boys. Although the obituaries did not reveal how many of his victims died, the number was certainly enough to qualify him as a mass-murderer far outstripping Manson, Corll, and Starkweather combined. Oh yes; Hershey died peacefully, without fear of prosecution, in his sleep.

☐**According to Tass,** the Soviet's supersonic TU-144, also called the Concordsky, will soon be equipped with three pairs of wings—it already has two, counting the small, retractable wings behind the cockpit. As the *Los Angeles Times* put it: "This latest modification would seem to confirm Western experts' suspicions that the TU-144 has basic design flaws."

☐**Some observations** on the new government in Israel: Menahem Begin, head of the ruling Likud faction (and probably Prime Minister by the time you read this), is called a "terrorist" in some circles because during the British Mandate he headed the Irgun Zvai Leumi. The Irgun did admirable things like snuffing out British officials; and not-so-admirable things like massacreing over 200 Arab men, women, and children at the village of Deir Yassin. The Arab press holds that this background makes Begin unfit to be a head of state; this column would tend to hold the contrary. However, the Irgun never claimed that its crimes were for its victims' own good, so perhaps Begin does lack that essential political skill.... As for the occupied West Bank (which Begin calls "liberated Israel"), while Begin calls for "many" new Jewish settlements there, he did tell *Newsweek:* "We will not expel the Arabs from their land." Moshe Dayan, Begin's choice for Foreign Minister, has said he wants a system where "Jews would not be allowed to drive the Arabs from their homes, but neither would they be prevented from buying land on the West Bank if the Arabs wanted to sell." In contrast; the Labor government coercively limited Jewish settlement to about 40 sites (chosen for strategic value)—located on stolen land. Supposedly Dayan got Begin to drop the notion of annexing the West Bank, and since ex-Prime Minister Rabin was just as opposed to West Bank independence as Begin is, the inhabitants will likely be no worse off than before.

☐**Believe it or not,** some Arkansas legislatoid introduced a bill that would have required permits for living in sin. The bill, which happily died in committee, would have required unmarried Arkansas couples to get a permit, pass blood tests, and pay a "privilege tax" of $1500 each before they could legally cohabit. Its sponsor claimed such measures are necessary, or else "The American family may pass from existence."

☐**Just when we had gotten used to** the idea of the B-1 bomber costing a hundred megabucks a throw, here comes the GAO saying that it will actually cost $117 million. Add the cost of missiles, maintenance, and a new tanker to refuel it (the Air Farce is already hinting that the B-1's range without refueling will be only 4300 miles—down from 6100; at one time it was going to be 10,000 miles), and a fleet of 244 will cost $90 billion over the next three decades, according to the *New Republic. NR* also quotes libertarian A. Ernest Fitzgerald, the Deputy Assistant Undersecretary of the Air Force who blew the whistle on the C-5A overruns and got fired for his pains, as saying that in the late 1960's he was briefed on what would be the best manned bomber to penetrate Soviet air defenses—and it was very different from the B-1. "The B-1, in Fitzgerald's view, may be intended by the Air Force mainly for use in future Vietnams: 'It will do a very good job of raining bombs on the cannibals—at a very high cost.'" Incidently, chief among those who hollered for Fitzgerald's scalp over the C-5A was Secretary of the Air Force Harold Brown, now Secretary of Defense and supporter of the B-1.

☐**An ad in the** *Washington Post* says that the book *A Sexual Profile of Men in Power* provides "conclusive evidence that men in politics are 'much more sexually active than the average man'"—surely the understatement of the decade. Your typical Congress-man screws 214 million Americans every day; could even Harry Reems match that?

☐**If you are 16 or younger,** you can be a happy, prosperous smack salesman in New York. Thanks to the malodorous Nelson Rockefeller, anyone convicted of dealing in hard drugs in that state must get a life sentence. But the law doesn't apply to juveniles, so "hundreds" of enterprising Empire State youths now deliver narcotics for adult pushers and retire at 16 with "hundreds of thousands of dollars," according to the *New York Times*—which finds it "appalling," of course. To hear the good gray *Times* tell it, "a 15-year-old driving a $12,000 Mercedes-Benz or placing $500 or $1000 bets on schoolyard basketball games" is the victim of "tragic ensnarement." They're probably just upset because nobody wants to be a paper boy anymore.

☐**The Decadence of Modern Literature,** as seen by Gore Vidal: "In his lowbrow way [Herman Wouk] reflects what one has come to think of as the *Commentary* syndrome or all's right with America if you're not in a gas chamber, and making money." (Quoted in *The Village Voice;* May 9, 1977.)

☐**Those who abhor** the desecration of the American flag should be pleased to know that Nixon no longer wears one in his lapel.

☐ **Ho hum.** The Peanut has ordered the Presidential yacht auctioned off. So did Hoover, Eisenhower, Johnson and Tricky, with great fanfare. The Navy soon gave them new ones, very quietly.

Bill Birmingham

The Interstate Commerce Commission should be abolished, its buildings torn down, and the ground sown with salt.

Prof. George Hilton, UCLA

trends

Winning the Poverty War

What if they gave a war on poverty—and nobody came? Or in other words, what if, despite the pleas of socialist reformers, there is no longer a poverty problem in America? According to several recent analyses, that may well be the case. It all depends on how you define the problem, and how you collect the statistics.

The official statistics on poverty, published by the Census Bureau, are based on *cash* income. But a substantial portion of today's welfare assistance is in the form of *in-kind* benefits—food stamps, school lunches, medicaid, housing subsidies, etc.—that substitute for cash. Yet these benefits are not counted in the Census Bureau's definition of income! When the cash value of these benefits is included in poor people's income, the picture of American poverty changes radically.

A recent Rand Corporation study, for example, found that an *average* AFDC recipient in New York City could receive a total annual income of $6,088, including in-kind benefits. (If the head of that household were employed at the minimum wage, the family income would be only $4,784.) Economist Edgar K. Browning of the University of Virginia estimates that the average poor family (as defined by the Census Bureau) in 1973 had an actual income 30 percent *above* the poverty line, when in-kind benefits were included.

Looking just at Federal expenditures, the average cash transfer payment per poor *person* (not family) increased from $249 in 1966 to $482 in 1973; over the same period the value of in-kind transfer payments per poor person increased from $112 to $657. Over the ten-year period from 1965 to 1975 in-kind transfer payments increased 16-fold, while cash transfers grew "only" four-fold.

What all this means in terms of numbers of people has been computed by Dr. John Korbel of the Congressional Budget Office. Including income from Social Security, unemployment benefits, and cash transfer payments, the number of people in families below the poverty line is 21.1 million (10 percent of the population). These are the people counted by the Census Bureau. But including the value of in-kind benefits, the number of poor drops to 11.4 million—only five percent of the population. And by this definition, since 1965 the number of poor families has decreased by *60 percent.*

"For all practical purposes," concludes Browning, "poverty has been virtually eliminated in the United States." Keep these figures in mind next time someone demands massive new anti-poverty programs.

SOURCES:
- "Multiple Welfare Benefits In New York City," Rand Corp., Aug. 1976.
- "Welfare—A Reconstruction," Edgar K. Browning, *The Humanist*, March-April, 1977, p. 12.
- "Has War on Poverty Been Won?" AP (Washington), May 8, 1977.

Abolish Corporate Income Tax?

The corporation income tax should be abolished, said the resolution passed by the assembled delegates. A conservative group? A business organization? Hardly. This surprising resolution was part of a comprehensive tax reform proposal adopted by the 30th annual convention of Americans for Democratic Action (yes—the Eleanor Roosevelt/Arthur Schlesinger ADA!). The ADA's position is that corporate income should be "allocated to individual shareholders, and these shareholders should pay tax on this income at their own personal income tax rates."

Abolishing the corporate income tax is also being advocated by Sen. William Proxmire and new SEC chairman Harold M. Williams. Williams stresses the problems American firms are having raising equity capital. The yield on stocks is simply not that great, partly because Federal taxes reduce the amount of income available for dividends. If the corporate tax were abolished, Williams and Proxmire expect firms would pay out much higher dividends, thereby making stock ownership more attractive and easing the capital formation crisis.

SOURCES:
- "ADA Urges End of Corporate Income Tax," UPI (Washington), May 9, 1977.
- "Chairman Williams Digs In at the SEC," *Business Week*, May 30, 1977, p. 69.

Setbacks for Zoning

The U.S. Supreme Court has made a dent in the extent to which cities can coerce property owners by means of zoning ordinances. In a 5-4 ruling, the court struck down an East Cleveland ordinance which limited occupancy of single-family houses to "nuclear families." The decision upheld the right of 63-year-old Inez Moore to share her 2-1/2-story home with her two sons and their two children. Mrs. Moore had been sentenced to five days in jail for violating the ordinance. The court's decision was in contrast to its 1974 ruling upholding a Belle Terre, NY zoning ordinance that prevents unrelated persons from living together in a single-family home.

A more fundamental challenge to zoning has come from syndicated columnist Neal Peirce, an editor of *National Journal.* The respected columnist recently attended a conference sponsored by the Association for Rational Environment Alternatives in Houston, Texas, the only major U.S. city totally without zoning. Via lectures, slide shows, and a bus tour of the city, conferees observed how the absence of zoning permits market forces free reign in revitalizing decaying neighborhoods, such as Houston's now-booming Montrose section. Peirce was impressed. In his recent column he presented the full range of arguments against zoning, as articulated by law professor Bernard Siegan and urban planner Dick Bjornseth. With scenes of Houston still vivid in his mind, Peirce concluded, "The Houson success story is strong enough to suggest that zoning may be the land-use dinosaur of the '70's."

SOURCES:
- "Supreme Court Limits Zoning Authority," *Los Angeles Times*, June 1, 1977.
- "Is Urban Zoning the Dinosaur of the 1970s?" Neal Peirce, *Ibid.*, May 29, 1977.

Laetrile Victories

Medical freedom of choice has been further expanded since last month. Five more states—Arizona, Nevada, Oklahoma, Texas, and Washington—have decriminalized the use of Laetrile, the controversial substance many believe is effective against cancer. The addition of these five brings the total to eight (including Alaska, Florida, and Indiana). In addition, similar measures have already passed one house in California, Delaware, Louisiana, and Illinois.

The FDA, which claims the substance is poisonous and worthless, is fit to be tied. A Federal judge in east Tennessee even ordered the FDA to return 6700 cases of apricot pits, worth $164,000, to a food wholesaler from whom it had seized them as contraband. (Laetrile is derived from a substance found in apricot pits.) The National Cancer Institute, bowing to

public pressure, has agreed to conduct tests of Laetrile's action against cancer, if FDA approval can be obtained.

Meanwhile, another banned drug is winning a reprieve at the state level. DMSO, effective against bladder conditions, skin diseases, and with about 31 other pharmaceutical applications, has been used in Oregon for years, despite an FDA ban. Now the Oregon Senate has passed a DMSO legalization bill, by a vote of 28 to 0. Similar action is expected in the House. It seems that more and more people just don't want the FDA to tell them what they can and can't do.

SOURCES:

- "Laetrile Legalized," *The Choice*, June 1977 (published by the Committee for Freedom of Choice in Cancer Therapy).
- "National Cancer Institute to Test Laetrile," AP (Morristown, NJ), May 23, 1977.

"Pharmaceutical Brinksmanship," *The National Enterprise*, May 11, 1977.

Israel Going Capitalist?

The Likud Party, victorious in Israel's recent national elections, has announced plans to bring a dose of free enterprise to the country's socialized economy. Economist Milton Friedman [subject of this month's REASON interview] has been asked to advise the new government on fiscal matters, and on policies for introducing more economic freedom. The party's platform has advocated increasing the rate of economic growth; cutting inflation (now 40 percent per year) by reducing government spending, cutting subsidies, reducing the civil service, and selling off some government property; reducing military imports; and encouraging foreign investment.

The Israeli economy is beset by inefficiency. Service workers constitute over half the work force, many of them in make-work jobs in government bureaucracies. These bureaucracies are considered some of the world's most cumbersome, and are cited as one factor that discourages foreign investment. Service workers are highly unionized and, like British workers, engage in frequent wildcat strikes. Israel's former Labor government had a history of giving in to wildcat strike demands, but Likud plans to sing a different tune. Besides being a tougher negotiator, the new government plans to shrink the civil service by attrition, turning thousands of service workers into production workers in expanded industry.

The Friedman/Likud attempt to reform a socialist welfare state will be interesting to observe. If it can work in Israel, perhaps there is hope for Italy and England after all.

SOURCE:

- "New Israel Regime Heading for Struggle with Labor," *Los Angeles Times*, May 29, 1977.

Steps Toward Private Education

Support for public schools is dropping precipitously, while private schools are growing in popularity. Recent trends indicate the possibility of fundamental shifts in the way American education is provided.

According to the National Association of Independent Schools (NAIS), private school enrollment is up 24 percent over five years ago, while public school enrollment continues to decline, reflecting the coming of age of the post-war baby boom. Significantly, the growth in private school enrollment is coming from the middle class. The NAIS survey found that 30 percent of the students attending its *boarding* schools come from families with under $25,000 annual income, 58 percent from families of under $35,000. And two-thirds of the new students in its member schools were previously enrolled in public schools. Increasingly, middle-class families are finding public schools too lax, both in discipline and in academic standards. Forced busing programs are also a factor, but many experts, including USC psychologist Edward Stainbrook, discount fear of integration as a primary factor. Quality of education is the principal reason for the move to private schools.

Several straws in the wind suggest further growth of private schooling. Both the Republican and Democratic platforms of 1976 pledged tax-credit assistance to parents paying tuition to private elementary and secondary schools. Sen. Daniel Moynihan introduced a bill to that effect in May. Such a measure would reduce the burden on such parents of having to pay for public schools via taxes, as well as paying private tuition.

Another development that would spur the trend toward increased private schooling is realistic pricing of education. Both public and private colleges are moving in that direction. Declining Federal aid and the end of the baby boom are forcing colleges to begin to take a businesslike approach to educational programs, starting with their adult education departments. Many such departments are self-supporting, and are coming to be looked on as money makers. Schools such as St. Mary's College near San Francisco, Boston State College, Northeastern, and Temple University are adopting hard-sell marketing techniques to attract students. "Backed with market research, flamboyant promotion, and cost controls," Temple's continuing education campus moved into the black within 18 months of startup. Temple now spends 5.5 percent of its total budget on advertising. The adult education division of St. Mary's College turns enough of a profit to offset the undergraduate division's current $200,000 annual loss, keeping the school in the black overall. College marketing consultant Peter Tolos tells colleges, "You have to push the idea that there is a customer and the program is a product that has to be marketed."

Ultimately, of course, all educational services should be provided in the marketplace, paid for by the users. This erstwhile radical notion was recently endorsed by syndicated columnist Ernest Furguson. "In fairness," he wrote, "why should the man who prefers to live quietly and improve his property without benefit of children have to pay more in taxes for schools than does the equally wealthy man around the corner who has six children and a run-down house? A heretical question, though eminently fair." What Furguson wants us to consider is "the theory that the recipient of a service should be the one who pays the most,"—an eminently libertarian idea. Though he refers to the concept as a "user tax," it's but a short step from that to a user *charge*. Yet another libertarian idea is beginning to surface in the media.

SOURCES:

- "Despite High Tuition, Private Schools Enjoy a Surge in Enrollment," *Wall Street Journal*, April 13, 1977.

"Tax Credits Urged for Private Schools," UPI (Syracuse), May 15, 1977.

- "Colleges Learn the Hard Sell," *Business Week*, Feb. 14, 1977, p. 92.
- "Why Are We Taxed for Others' Kids?" Ernest B. Ferguson, *Los Angeles Times*, May 4, 1977.

Milestones

• *More Free Speech.* The U.S. Supreme Court has further strengthened the First Amendment's protection of "commercial speech" by overturning 8-0 a Willingboro, NJ ordinance which prohibited the use of "For Sale" signs in front of houses. The ordinance had been aimed at averting "white flight" to the suburbs. (Source: "High Court Rejects Ban on 'For Sale' Signs," *Los Angeles Times*, May 3, 1977.)

This column reports trends in the advancement of liberty and economic freedom. Readers are invited to submit material of potential interest to Trends Editor, REASON, Box 40105, Santa Barbara, CA 93103.

America's Third Largest Party

FAILURE!

by E. Scott Royce

The greatest problem facing libertarians today is that of devising a strategy that would make possible the transformation of our present society into one in which freedom prevails. In the quest for such a strategy, many proposals have been advanced, and one which currently enjoys substantial support among libertarian activists is the third-party-movement route. A libertarian third party, we are told, placing principle above political opportunism, has the potential for taking control of the State away from the old ideologues and special interests. Once in power, libertarians could proceed to dismantle the government apparatus and proclaim liberty throughout the land.

While such a strategy has a certain degree of logical appeal, and while the overwhelming majority of its proponents are sincere and well-intentioned individuals, it is nevertheless, I believe, doomed to failure. Both of the presidential candidates fielded by the Libertarian Party (LP)—John Hospers in 1972, Roger MacBride in 1976—have themselves wisely cautioned that even if power were to be won by libertarians, dismantling the State is a task that could scarcely be accomplished overnight. The *real* problem, however, is that the fledgling LP is extremely unlikely ever to get the opportunity to do the wrecking job in the first place.

Examine, for instance, the political situation that prevailed last year during the MacBride-for-President effort. On election day the voters had a sizable selection of evils from which to choose; by mid-October over 200 candidates had filed for president with the Federal Election Commission. To be sure, relatively few of them actually appeared on any state ballot; but since at least 131 reported no expenditures whatsoever, and since most of the rest could count their "campaign funds" in terms of nickels and dimes, this should come as no great surprise.

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As minor parties go, the Libertarian Party is a piker.

photo by Bruce Lagasse

America's Third Largest Party

SUCCESS!

by Ed Crane

When Bob Poole asked me to write a piece supporting the Libertarian Party for REASON, I thought to myself, "Is this really necessary? Can there be enough libertarians left who *still* do not see the wisdom of supporting the Libertarian Party—enough to justify writing such an article?"

To be sure, there are *some* libertarians who haven't supported the LP and never will. There are the Sam Konkins of the movement who engage in sophomoric fantasies about "counter-economics" driving I.B.M. out of business. There are the Bob LeFevres who would prefer to have the State put us in chains before seeing the movement engage in politics. There are the Harry Browneouts who would have us chuck it all in and repair to our nearest freeze-dried retreat. And there is the Royce-Tuccille-Rohrabacher syndrome: those individuals who lust for "big-time" politics and the chance to relate a conversation with a *real* Congressperson.

But most libertarians are serious about their philosophy and mature in their assessment of how best to promote it. It is therefore hard for me to conceive of a libertarian not being able to determine from the record the strategic importance of the LP. I write this article, then, more for those individuals who are new to the movement than I do for those veterans who still need convincing.

INITIAL RESERVATIONS

When talk of a libertarian party first surfaced, there were two main reservations expressed. The first was the concern that involvement in electoral politics would lead inevitably to compromise of our principles. The second, expressed by Murray Rothbard and others, was that the project was premature. There was, they thought, no point in advertising to the world how few libertarians there were. Those predictions, it seems to me, have not turned out to be correct.

What the Libertarian Party has achieved in only a few years is little short of phenomenal.

Those who feared a dilution or compromise of principles should make a comparison of the Libertarian Party platforms of 1972, 1974 and 1976. They show a steady progression toward a more hard-line libertarian position in virtually all of the planks. Whether the subject is foreign policy, victimless crime, or regulation of commerce, the libertarian point of view has been well thought out and forthrightly stated in the 1976 LP platform.

LP platforms since 1972 show a steady progression toward a more hard-line libertarian position.

It's worth noting, incidentally, that our platform represents, in itself, a remarkable political achievement. One of the things the delegates to the first LP convention in Denver came to realize was the intricacy involved in applying libertarian principles to the issues of the day. Political theory is complex regardless of how straightforward one's principles may be. Over the years, the LP platform has been refined to the point where its 44 planks now represent the clearest statement of the libertarian position on public policy issues to be found anywhere. I do not believe it is presumptuous to call it the best political platform in the history of the United States.

Well, then, if the platform has not compromised libertarian principles, what about our candidates? Here the temptation to "bend" our principles to accommodate the voter is greatest. Yet our experience has been that LP candidates are uniformly uncompromising. Most of them consider it an honor to be representing the LP and to have an opportunity to promote libertarianism.

Perhaps the uncompromising nature of the Libertarian Party first manifested itself at the 1974 Convention in Dallas when I ran against Eric Scott Royce for national chairperson. Royce had said he had decided to run because I had made comments critical of militarist-conservative Steve Symms which, he claimed, exposed my unwillingness to "broaden the base" of the LP. Well, Royce and his "base-broadeners" went down to a better than four-to-one defeat—all the more amazing when my basic misanthropic nature is taken into account. Mr. Royce's enthusiasm for the LP, I hear, has since waned.

As for the second concern, that we would embarrass ourselves by becoming a minor minor party, one need only look to the 1976 presidential election. The Libertarian Party, in just four years, came from nowhere to become the third most popular party in the nation. We beat *all* of the other minor parties—left wing, right wing and any other wing one might care to mention. Say what you will about our vote totals (and I'll say more a bit later), the fact remains: we're number three!

I contend, therefore, that the serious objections raised at the time of the founding of the LP were unwarranted. Let us turn, then, to the arguments put forth in *favor* of a libertarian party. Those arguments are as valid today as they were then.

WHY THE LP?

It is an unfortunate fact of American life—but nonetheless a fact—that the overwhelming majority of people do not think about political issues and the intervention of government into their lives except within the context of elections and party politics. To get people to change their minds, you must first get their attention. All of the rhetoric in the world is useless unless someone is listening to what is being said.

The Libertarian Party provides an excellent vehicle for getting the libertarian message across. Newspapers write articles about libertarianism. Radio and television talk-show hosts have LP candidates as guests. Civic organizations, universities and other public forums *invite* our spokespersons to present their ideas. In short, doors open to libertarian ideas that would be firmly shut were there no Libertarian Party.

Now, this is a very good thing, and I don't see how a libertarian can argue otherwise. How can we change the dominant philosophical/political trends in our society if we're not in a position to make known the alternative we favor?

This brings up a point of immense importance. Thinking in our society is dominated by a statist paradigm. In this society, the government routinely, even casually, tramples individual rights in the name of "the common good" or some other euphemism for totalitarianism. We cannot break that paradigm by piecemeal attacks on its infinite manifestations. We can break it only by offering an alternative paradigm, a completely independent and all-encompassing view of the nature of man as a political animal.

The utter failure of conservatism to be an effective political force is a direct result of the failure of its leaders to recognize this point. Conservatives invariably accept the premises underlying liberal domestic programs and "attack" them by offering watered-down substitutes. (To greatly oversimplify the situation, the same can be said of liberals in the area of foreign policy. They have always accepted the basically conservative view of the United States as world policeman.)

This was the great insight of Dave Nolan and the others who founded the Libertarian Party. They recognized that it was futile to work within the Democratic or Republican party. An *ad hoc* victory on this issue or that meant nothing if the statist juggernaut kept chugging along. Trying to make those parties libertarian was and is an effort doomed to failure. To work outside the two-party system in an attempt to create a new paradigm may not guarantee success—indeed, the odds against success remain quite high—but at least there is a *chance* of prevailing.

NEED FOR A MOVEMENT

What is needed, then, is a libertarian *movement*, something to tie all efforts to create a free society—whether in electoral politics or outside of it—into a coherent force for social change. People outside of the movement must be made aware of the existence of a fully integrated political philosophy that offers alternatives to some of the major institutions of our society. People within the movement must become aware of its various elements and develop a self-conscious involvement in it. I'm not talking here about some kind of "group mind," but rather a simple recognition of the fact that liberty is indivisible and that the various struggles for human liberty must be unified behind a movement presenting a new paradigm.

The Libertarian Party has succeeded, beyond at least my wildest imaginings, in creating this vital sense of a movement. No other libertarian organization has come close to matching the LP in this regard. We have put libertarians in touch with one another in all parts of the country. We have put libertarians to work promoting our philosophy in every state in the nation. We have put libertarianism on the political map in America.

Doors open to libertarian ideas that would be firmly shut were there no Libertarian Party.

A list of specific accomplishments of the Libertarian Party is impressive. The LP has produced professional, attractive,

promotional material that includes eight excellent position papers. Over two million pieces of this literature have been distributed. In the recent presidential election, the LP aired eight five-minute, prime-time network television ads which reached audiences of 10 to 20 million. Through its Young Libertarian Alliance, the LP has established contacts on over 250 campuses. On many campuses, the YLA is by far the most active political group.

The Libertarian Party has served as a rallying point for all elements of the movement. It is significant that such notables as John Hospers, Murray Rothbard, Peter Breggin, Ron Paul, Nathaniel Branden, Bob Nozick, Thomas Szasz and Karl Brunner all think the party is an important vehicle for furthering libertarianism and worth devoting time to.

PRESS COVERAGE

The media coverage garnered by the Libertarian Party, particularly in the past two years, has been phenomenal. Literally thousands of newspaper articles have been written about the LP, our spokespersons have appeared on hundreds of radio and television shows and each of the three television networks has carried several news items on the party. For the most part, this media coverage has been objective, in-depth and (surprisingly?) favorable. Consider this small sampling:

- "For the overtaxed, overregulated, overburdened and underpowered millions of the American middle class, Libertarians are the only people worth voting for."—Nicholas von Hoffman, *Washington Post*
- "Libertarianism has surfaced in this election year as an ideology matched to the mood of many disgruntled Americans. The Party's slogan, Legalize Freedom, gives Libertarians a unique appeal on both the right and the left."—*Newsweek*
- "MacBride's views are like fresh air—almost like straight oxygen—and he has been winning converts from the liberal and conservative camps at a surprising rate." — *The National Observer*
- "It is in the area of detail, in the fine-tuning they have given their ideology in so few years, that the Libertarians' commitment to an undiluted human freedom is singularly impressive."—*Washington Post*
- "Already the Libertarian Party looks upon itself as the natural successor to the Republican Party. Its gains over the last four years suggest that its boast is not wholly grounded in wishful thinking."—*Chicago Tribune*
- "The Libertarian Party is one of the most interesting—and the fastest growing—new parties on the American can political spectrum."—*The Progressive*
- "Original thought in the 1976 campaign has come not from the major parties but from Gene McCarthy and the Libertarian candidate Roger MacBride."—*Seattle Post-Intelligencer*

As I said, this is just a *sampling* of the commentary on the LP which is reaching millions of people. When or where else in the history of the movement has such publicity been generated?

The media coverage garnered by the Libertarian Party, especially in the last two years, has been phenomenal.

Two of the above quotations relate to a point I made earlier. Commentators seem intrigued by the fact that we are appealing to people who were formerly on the left and the right—to conservatives and liberals. Yet the LP's support does not come from people who now hold widely divergent points of view. It is not a jerry-built coalition. Instead, our early support represents the first crack in that statist paradigm I spoke of.

THOSE VOTE TOTALS

This is an important point to consider when viewing our presidential election results. Many people (including our candidate) were hoping for a seven-figure total. Despite the excellent relative finish, those people seemed disappointed with the absolute vote count. Now it's obvious that the well-publicized closeness of the Ford-Carter race held our vote total down as well as the totals for all other minor candidates. But that was not the *main* reason we didn't receive significantly more votes. What critics of the nearly 200,000 votes the LP received (mutually exclusive votes for all LP candidates totaled about one million) overlook is the fact that there is no ready-made constituency for the LP. We have had to carve out our own, starting from scratch, and I'd say we're doing a damn good job of it.

If, with the energy, skill and motivation LP members demonstrated in the 1976 campaign, we had undertaken to start a new liberal or conservative third party, our vote totals would have been much, much greater. That's because there are tens of millions of strong liberals and strong conservatives in the American electorate. We could have parlayed those already commited partisans into some pretty snappy vote totals. But the purpose of the Libertarian Party is not simply to get votes, it's to get votes for *liberty*. The nature of the particular political environment in which we find ourselves in the United States is such that getting libertarian votes is going to be a much more difficult process than getting votes for one of the interventionist points of view.

Nobody said it was going to be easy. But are our memories so short that the 1976 LP vote totals are not clearly a cause for celebration? When the party was first started, people would look at you blankly if you mentioned the word "libertarian." Or they would say, "Libertine who?," or "Why in the world should librarians get involved in politics?" As the saying goes, "We've come a long way, baby," and it's unfortunate that some members of the movement don't seem to appreciate that fact. Perhaps we've come so far so fast that expectations have grown to unrealistic proportions.

There is no ready-made constituency for the LP—we have had to carve out our own, starting from scratch.

It's not my intention to sound too defensive about the LP's 1976 results, either. Overall, the results were good and in some instances they were terrific. In the presidential race, we got six percent of the statewide vote in Alaska and *12 percent* in Fairbanks! In dozens of counties across the nation, both rural and urban, we received over two percent of the presidential vote. That is a clear indication that we already possess balance-of-power potential at the national level.

Indeed, in many state and local races, our candidates *were* the balance of power. In Arizona, one of our candidates received 15 percent in a three-way race. Several others, particularly in the West, received over five percent in three-way contests. In a state legislative race in Idaho, the LP candidate received 31 percent of the vote. One can take statistics and prove pretty much whatever one desires, of course, and there were several races in which the LP results were disappointing. My point here is simply that we did quite well on the whole, given our stubborn insistence on

sticking to principle and often saying things we knew would not be popular.

It is, moreover, simply wrongheaded to view the success or failure of the Libertarian Party merely in terms of votes. Education has always been a prime objective of the party, and expenditures made in 1976 were intended for that purpose as much as any other. If the Center for Libertarian Studies or the Cato Institute publishes policy papers which demonstrate the inefficacy and immorality of government intervention, do we analyze their worth in terms of votes? Of course not. And so it should be with the educational efforts of the Libertarian Party.

Perhaps we've come so far so fast that expectations have grown to unrealistic proportions.

I find the claim that the movement's resources are wasted on political campaigns somewhat bizarre. First of all, before there was a Libertarian Party, the movement did not have anywhere near the money it has now. This is simply because the success of the Libertarian Party drew people's attention to the reasonableness of an investment now in a future free society. Secondly, to call spending on an election campaign wasteful or inefficient implies that some omnipotent planner's view of how best to allocate resources should govern. Such thinking certainly has no place in libertarian circles.

CONSIDER THE ALTERNATIVES

A final point to consider concerns the alternatives to working through the Libertarian Party which are available to us. (Obviously the scholarly work that is being done to broaden the theoretical and philosophical foundations of libertarianism is of fundamental importance. But, thank God, we all can't be scholars.) The alternatives to the LP that exist in the realm of politics and public policy are limited to (1) working within the Republican or Democratic party, (2) supporting an existing minor party, or (3) devoting one's energy to special interest lobbying groups.

It seems to me that the major party route is patently hopeless. Some time ago the official organ of the Republican Party, *First Monday*, editorialized, "The purpose of the Republican Party is to establish government." Nowhere in the lengthy editorial could one find a single statement concerning which *kind* of government the Republicans were proposing to establish. Indeed, its whole point was to damn ideology and praise political power. The Democrats, of course, are guided by an identical motivation. Anyone with an I.Q. above room temperature must have been struck by the fact that during the Presidential "debates," there was not one single solitary substantive difference of opinion between Ford and Carter.

Both major parties have become increasingly statist during the past two decades. Both have developed rather refined platforms of corporate fascism which are indistinguishable but for minor differences over whose liberties should next be usurped. The minority wings of either party offer little comfort.

Ronald Reagan brings a "win one for the Gipper" mentality to foreign policy—he's actually come out in favor of stepping up the arms race—and has a thoroughly confused view of the free market. Campaigning in Wisconsin he said he would have to do some research before he could state his position on milk price supports. The liberal wing of the Democratic Party is egalitarian if not outright socialist. It would nationalize all of our major industries tomorrow and accelerate the redistribution of wealth from the private sector to the public sector. For a libertarian to work within one of the major parties is both naive and a serious misallocation of the movement's limited resources.

MINOR PARTIES AND LOBBYING GROUPS

With the exception of the LP, the existing minor parties offer no opportunities. On the left the only semi-reasonable party to appear in years was the Peace and Freedom party, which seemed to die when the Vietnam War came to an end. The other leftist parties are explicitly socialist.

On the right, there are virtually no viable minor parties. The American Party is more of a religious sect than a political party. When George Wallace rejoined the Democrats, the American Independent Party collapsed. Talk of a new conservative third party seems little more than wishful thinking on the part of a few wealthy conservatives. If Bill Rusher's book, *The Making of a New Majority Party*, is any indication, such a party would only increase the power of the State. Rusher's book should have been subtitled, "A Blueprint for Fascism."

That leaves the non-LP libertarian activists with only the multitude of political lobbying groups to work with. Some of these groups, such as the Campaign to Stop Government Spying, are worthwhile. Most, if you scratch the surface, are not. Typical is the National Right to Work Committee, which might plausibly be of interest to libertarians. A close examination reveals that it is nothing more than a tool of the corporate statists who want to replace repressive legislation preventing "open shop" labor arrangements with repressive legislation preventing voluntary "union shop" labor agreements.

The major drawback to working with this type of *ad hoc* lobbying organization is that it adds little to the development of a libertarian movement. Given our resources at present, I believe most of our efforts should be directed toward achieving libertarian goals through *libertarian* organizations. The Libertarian Party is clearly the best organization available for creating this important sense of a movement.

As Murray Rothbard wrote in the June, 1973 issue of the *Libertarian Forum*, "The point is that none of us libertarians sought out politics. Politics has been thrust upon us by the State apparatus, and it is absurd for us not to use the political choices we are allowed to have, to help in the rollback and eventual abolition of politics and political intervention in our lives."

I'm certain the Libertarian Party will continue to grow and prosper and, along with it, so will the libertarian movement. So long as we avoid opportunism, gradualism, and compromise, we will succeed. Let us hold our principles high, never allow ourselves to be intimidated by the pomp and circumstance of the State, and we shall see the movement for human liberty flourish in our lifetimes. ◻

Edward H. Crane, III holds a B.S. in finance from the University of California at Berkeley. Chairman of the Libertarian Party from 1974 until mid-1977, Crane is now the director of the Cato Institute in San Francisco.

LP Failure

Continued from p. 14.

Many of these candidates introduced completely new issues to the American political scene. Their platforms ranged from exposing the Rockefellers as the *real* murderers of John F. Kennedy, to an LBJ-style war on constipation; from restoring patriotism by compelling everyone to get a marine-style haircut, to establishing contact with Martians. There was one candidate who claimed to be the reincarnation of Abe Lincoln, and another who insisted that he was most qualified to serve in the White House because he is closer to God than is anyone else on earth. There was at least one presidential hopeful who conversed with angels, and another running under a pseudonym who explained, "My real name wouldn't mean anything anyway because I am generally unknown." While most such people probably recognized that they were, at best, dark-horse contenders, some undoubtedly felt like the woman who, at the outset of a projected 7,000-mile campaign trip on a bicycle, remarked: "I have a knack for politics. This thing could take off like a comet."

Like it or not, many commentators tended to lump the Libertarian Party with such eccentrics, and many others considered the LP only in conjunction with such outfits as the thoroughly looney U.S. Labor Party. They viewed the LP as irrelevant to serious politics in America today; and there is, I am afraid, a fair amount of evidence to support such a conclusion, postelection pronouncements by Murray Rothbard and some other prominent libertarian figures about how well the LP ticket fared notwithstanding. The latter inform us that MacBride and Bergland ran fourth nationwide, first among the minor parties, making the LP the third biggest party in America, etc., etc.

LP FACTS AND FIGURES

Viewed more closely, however, particularly in a historical context, MacBride's "achievement" appears a dubious one at best. On at least 35 occasions since 1900, independent candidates or other minor parties' national tickets have drawn a higher percentage of the vote than MacBride did on election day. That includes the Communists on one occasion, the Socialist Laborites on three, the Prohibitionists on six, and the Socialists on eleven. In terms of total number of votes, MacBride finished last behind 23 other national tickets during the same period. He attracted fewer than 200,000 voters, less than one for every mile traveled during the campaign since January 1976 alone. His total represented not one percent of the national vote, not half of one percent, but about 22/100 of one percent of the national figure. Being number-one minor party in a league of even bigger losers than that is surely nothing to brag about. The LP total appears even bleaker upon review of the vote figures, often ludicrously high, projected for the ticket by LP leaders and MacBride himself during 1975 and '76.

It can, of course, be argued that MacBride's total would have been larger had the Ford-Carter race not been so close. That may well be the case, although we can question precisely how much larger a vote he could have garnered (or how much of the vote MacBride did receive, for that matter) or whether the vote would have reflected any real understanding of or serious support for libertarianism. I suspect that under the most optimistic circumstances Roger *might* conceivably have doubled his actual 1976 total. Of course, such an increase would largely have reflected the disgruntled, anti-Ford conservatives whose commitment to the party and its principles would be tenuous at best. The closeness of the national election, too, was a relative thing. A number of states seemed almost certain to fall into either the Ford or Carter camp on election day. In such places, "throwaway" votes appeared a practical alternative to Reaganite and other disgruntled voters; and the MacBride figures probably reflect roughly what he would have polled under the best of conditions.

As another reason for optimism, LP leaders point to MacBride's vote in Alaska, the only state in which he made a credible showing (6,773 votes, 5.5 percent). The LP total there should be seen, however, as a reflection of the state's traditional disaffected vote, not as an endorsement of Roger or of libertarianism in caribou country. MacBride was the only perceptible right-wing-style alternative to Ford and Carter on the ballot in a state that generally casts several thousand ballots for a "conservative alternative." Thus, MacBride simply drew a portion of the vote cast in previous elections for candidates such as Wallace (10,024 votes, 12.1 percent),

PERCENTAGE OF THE TOTAL NATIONAL VOTE (1900-1976)

Candidate	Year	Party	Percentage
Roosevelt	1912	Progressive	27.39
LaFollette	1924	Progressive	16.56
Wallace	1968	American	13.53
Debs	1912	Socialist	5.99
Debs	1920	Socialist	3.42
Benson	1916	Socialist	3.18
Debs	1904	Socialist	2.98
Debs	1908	Socialist	2.82
Thurmond	1948	States Rts. Dem.	2.40
Wallace	1948	Progressive	2.38
Thomas	1932	Socialist	2.22
Lemke	1936	Union	1.96
Swallow	1904	Prohibition	1.91
Chafin	1908	Prohibition	1.70
Woolley	1900	Prohibition	1.50
Schmitz	1972	American	1.40
Chafin	1912	Prohibition	1.38
Hanley	1916	Prohibition	1.19
Christenson	1920	Farmer-Labor	.99
McCarthy	1976	Independent	.91
Watson	1904	Populist	.84
Thomas	1928	Socialist	.72
Watkins	1920	Prohibition	.70
Debs	1900	Socialist	.62
Reynolds	1928	Socialist Labor	.60
Hisgen	1908	Independence	.55
Thomas	1936	Socialist	.41
Barker	1900	Populist	.36
Faubus	1960	Natl. States Rts.	.30
Malloney	1900	Socialist Labor	.29
Thomas	1948	Socialist	.29
Foster	1932	Communist	.26
Corregon	1904	Socialist Labor	.25
Hallinen	1952	Progressive	.23
Thomas	1940	Socialist	.23
MacBride	1976	Libertarian	.22

Schmitz (6,903 votes, 7.3 percent), and 1974 Alaska Independence Party gubernatorial nominee Joseph Vogler (4,719 votes, 4.9 percent).

Turning to New York, a state where the LP has been more active and well organized than in most of the rest of the United States, the party's most recent vote totals show no real gain over those of past years. In 1976 MacBride polled 12,197 votes for president there, while FLP Senate nominee Marty Nixon 10,943. Compare these figures to those for 1974 FLP gubernatorial nominee Jerry Tuccille and 1973 FLP New York City mayoral candidate Fran Youngstein—10,200 and 8,818, respectively. Is the LP *really* making progress toward victory, as its proponents claim?

Examine some additional figures. The five-year-old LP ran some 200 candidates for Federal, state, and local office nationwide last year. Forget that this comes out to roughly one office at every level contested per two Congressional districts. Compare the LP figure with the fact that in 1912 the Socialist Party could boast not 200 or even 1,000 candidates, but 1,200 *elected officials*, including state legislators and 79 mayors. That year their presidential ticket polled over 900,000 votes, or six percent of the national total. And the Socialists were not just winning local elections in backwater towns like Brookneal, Virginia. During that period they also elected mayors in places like Minneapolis, Butte, Schenectady, and several other medium-to-large-sized cities. The SP managed to send two of its members to Congress, and in one state—Nevada—it came remarkably close to electing a U.S. Senator.

Now *that* is a third party. In other words, one that is capable of actually contesting power in some places with the big boys. The LP, by comparison, is a *very* minor party by any objective assessment; it has a long way to go before it can even seriously lay claim to the label "third" party, much less to political credibility.

Given a few more years, the LP could conceivably elect itself a handful of local officials and even some state legislators. As LP officials are quick to point out, a few local party candidates drew quite respectable vote totals last November. What they fail to mention, however, is that such cases generally involved a two-way race where the LP contender simply attracted the anti-incumbent or anti-incumbent-party vote, indicating that the noncontesting opposition party probably made an error in judgment by not filing someone for the office. In a three-way race in the same district, most such LP nominees' totals would have been drastically lower. An example of this sort of problem is the 1976 Utah Senate race. Early polls showed the LP contender receiving as much as 10 percent of the vote. Once the Republican situation cleared up, however, with ultraconservative Orrin Hatch, the eventual victor, winning the GOP primary, the LP candidate faded from the picture, receiving only a miniscule percentage on election day.

NUMBER CARRIED (1900-1976)

Candidate	Year	Party	Number of States
Roosevelt	1912	Progressive	6
Wallace	1968	American	5
Thurmond	1948	States Rts. Dem.	4
LaFollette	1924	Progressive	1

NUMBER OF ELECTORAL VOTES RECEIVED (1900-1976)

1. For President

Roosevelt	1912	Progressive	88
Wallace	1968	American	46
Thurmond	1948	States Rts. Dem.	39
Byrd	1960	--------	15
LaFollette	1924	Progressive	13
Hospers	1972	Libertarian	1
Jones	1956	--------	1
Reagan	1976	--------	1

2. For Vice President

Johnson	1912	Progressive	88
LeMay	1968	American	46
Wright	1948	States Rts. Dem.	39
Thurmond	1960	--------	14
Wheeler	1924	Progressive	13
Goldwater	1960	--------	1
Nathan	1972	Libertarian	1
Talmadge	1956	--------	1

THIRD-PARTY POLITICS

In reality, very few candidates have ever been elected to statewide or Federal office in this century without a major party endorsement. Most of those who succeeded in bucking the odds—like James Buckley, Harry Byrd, Jr., Vito Marcantonio, Wayne Morse, and Robert LaFollette, Jr.—simply benefited from prior name recognition and major party connections, major party collusion, or both. In addition, they advanced practical programs and understood the importance of good precinct operations and organizations. The Socialist victories cited above, James Weinstein points out in *The Decline of Socialism in America, 1912-1925*, were also based on the ability to develop major-party-style precinct machinery and the willingness to abandon utopian rhetoric for programs directly and immediately relevant to a substantial portion of the constituencies involved.

We should be extremely skeptical of minor parties that tell us they can win elections (whether now or in the future), precisely because so few of the many that have tried have ever succeeded. Only three times since 1900—1912, 1924, 1968—has there been even the remotest chance of success by a non-major-party nominee for president, for instance. Since 1832, less than a dozen such nominees have succeeded in carrying a single state. If such popular public figures as Henry Wallace, Robert LaFollette, and George Wallace could not succeed, is it likely that an LP contender could do so? Furthermore, of the group of non-major-party figures who served in Congress during this century, the majority were from Wisconsin's Progressive Party or Minnesota's old Farmer-Labor organization. In each case, the party in question was in fact a substitute second party for the state, not a third party at all.

Political scientists generally consider there to be two basic types of third- or minor-party movements: the temporary, protest-style ones such as the 1968 American Party, the Progressives of 1924 and 1948, and the Populists; and narrow, doctrinal parties. While the former may have some impact on the national political consensus, the latter category, no matter how persistent, remains politically iso-

lated and inconsequential because of the noble but unrealistic purism that isolates such parties from the majority of Americans who fail to share their vision.

CO-OPTATION

But if third or minor parties are highly unlikely to win elections, can't they still influence politics by setting forth ideas that other parties may seek to co-opt? Frankly, as many political scientists have pointed out, the fact that minor parties have advanced and promoted policies subsequently enacted into law does not mean that they had any influence whatsoever. Extra-party groups are usually far more influential. For instance, it was the work of the Anti-Saloon League, not the miniscule Prohibition Party, that turned the country "dry." Those who think otherwise are engaging in wishful thinking.

A look at the platform the LP put together for the 1976 campaign will show that very few of its planks have not been advanced by some serious politician. Does that mean that the LP is already having an impact on U.S. politics? Of course not. It means that the LP endorses a program with which some conservatives and liberals already agree in part. Members of Congress have embraced aspects of the LP platform ranging from decriminalization of marijuana to demonopolization of first-class mail delivery, from abolition of the ICC and other Federal regulatory agencies to substantial cutbacks in overseas troop levels, from abolition of the income tax to legalization of gold-clause contracts. Most LP members, blissfully ignorant of what is really going on in Washington, have no more realization of this than most Congressmen have an understanding of the principles of libertarianism.

This brings us to consideration of a number of myths and misconceptions sometimes advanced by LPers. Most prevalent of these is that the party has real value as an educational tool whether or not it can win elections. When John James, the Colorado LP's 1974 congressional nominee, dropped out of the race prior to election day, he commented, "There are many better, less costly ways to educate and to bring about a more widespread radical ... consciousness" than political campaigning. That is, however, only one of the many objections to educational campaigns.

REASON editor Robert Poole wrote an excellent indictment of the recent crop of LP educational campaigns in the August 1976 issue. He noted that while such efforts may indeed "increase the awareness of the libertarian philosophy," they nevertheless may only "guarantee the hostility or indifference of the vast majority of voters." In other words, hard-core educational-style campaigns may expand to a slight extent the number of Americans who have heard of our philosophy; but by focusing on long-range goals and radical positions, or by presenting lengthy, detailed statements on how some seemingly far-out solutions could work in practice, LP candidates either bore the average voter who is exposed to them, frighten him, or convince him that libertarians are impractical, utopian kooks.

Several other serious objections have been raised against the educational campaign tack. For one thing, it virtually guarantees continued receipt of merely infinitesimal percentages of the vote. This will, in turn, likely result in convincing many libertarians that all is indeed lost, that political activism per se is futile. Even more serious than this, however, is the fact that politicians and the politically conscious public may get the idea—or obtain the excuse—that low vote totals for LP candidates mean that the libertarian philosophy and libertarian solutions to current problems have little popular appeal. The party's press coverage and potential for perceived legitimacy will largely evaporate, too, if it becomes clear that it cannot succeed in attracting any significant number of voters. As MacBride himself explained to the 1976 California state LP convention: "No reporter for any newspaper, or for any radio or television station will take our ideas seriously if we present the image of a quixotic, tiny minority."

TOTAL VOTES RECEIVED (1900-1976)

Candidate	Year	Party	Vote
Wallace	1968	American	9,901,151
LaFollette	1924	Progressive	4,814,050
Roosevelt	1912	Progressive	4,119,207
Thurmond	1948	States Rights Dem.	1,169,134
Wallace	1948	Progressive	1,157,057
Schmitz	1972	American	1,090,673
Debs	1920	Socialist	913,664
Debs	1912	Socialist	900,369
Lemke	1936	Union	892,492
Thomas	1932	Socialist	883,990
McCarthy	1976	Independent	745,042
Benson	1916	Socialist	589,924
Debs	1908	Socialist	420,380
Debs	1904	Socialist	402,489
Thomas	1928	Socialist	266,453
Christenson	1920	Farmer-Labor	264,540
Swallow	1904	Prohibition	258,596
Chafin	1908	Prohibition	252,821
Faubus	1960	Natl. States Rts.	209,314
Woolley	1900	Prohibition	209,004
Chafin	1912	Prohibition	207,972
Watkins	1920	Prohibition	188,391
Thomas	1936	Socialist	187,785
MacBride	1976	Libertarian	183,187

NUMBER OF STATES IN WHICH CANDIDATE RECEIVED 5% OR MORE OF THE POPULAR VOTE (1900-1976)

Roosevelt	1912	Progressive	46
Wallace	1968	American	42
LaFollette	1924	Progressive	40
Debs	1912	Socialist	26
Benson	1916	Socialist	11
Thurmond	1948	States Rts. Dem.	11
Debs	1904	Socialist	10
Debs	1908	Socialist	8
Debs	1920	Socialist	6
Lemke	1936	Union	5
Schmitz	1972	American	4
Christenson	1920	Farmer-Labor	3
MacBride	1976	Libertarian	1
Wallace	1948	Progressive	1
Woolley	1900	Prohibition	1

THE GOP WON'T R.I.P.

Another myth advanced by some LP

members is that the GOP is—slowly or rapidly, depending upon the speaker—dying and that the LP may eventually replace it. This sort of contention frequently accompanies an explanation of how the GOP was allegedly once a third party that made the big time. (See, for example, Roger MacBride's article, "Happy Days Are Here Again," REASON, January 1975.)

There are numerous errors implicit in such an argument. To begin with, as William Hesseltine, author of *Third Party Movements in the United States*, and others have pointed out, new parties that achieved a real measure of success in this nation's history generally got off the ground right away as second or opposition parties and rapidly achieved victory. The GOP, contrary to some people's imaginations, was never really a third party at all. It was, rather, a coalescence of minor parties and factions of the old parties into a new major party.

Passage of the Kansas-Nebraska Act, which opened the door to slavery in the territories, resulted in a massive upsurge of Northern antislavery sentiment; and it was this factor which led to formation of the GOP. In the 1854 election, the party's first, it captured 108 House seats—more than any other party—and then set up a coalition which chose a Republican Speaker of the House. In its first presidential election it ran a quite respectable second, and in its second time out it captured the White House.

Nor is the GOP dying, something that people have been predicting for decades. They said it in 1936, when the Landon-Knox ticket carried only two states and 89 Republicans won seats in the House. Two years later the GOP bounced backto capture an additional 80 House seats. They deemed the party a corpse again in 1964, when Barry Goldwater got clobbered and the Republicans lost three dozen congressional races. Two years later they picked up 47, and two years after that the GOP was once again ensconced in the White House. In 1976 the Republican Party held its own in congressional and gubernatorial races and lost its hold on the presidency by less than two percent of the popular vote. Ford clearly carried a majority of the states (worth 241 electoral votes); and were it not for probable vote fraud, he might have carried several others, thus winning a majority in the electoral college and a full term in office.

The Republican Party isn't dead, it's just hung over. And with Carter in the White House, establishing a solidly Democratic Federal government again, which disgruntled voters can blame for the nation's woes, the GOP should score real gains in congressional and gubernatorial contests in 1978. The upset victory of Republican Arlan Strangeland in the Minnesota district previously held by Carter's new Secretary of Agriculture is an early favorable sign. But even if the Republican Party were to expire, talk of the LP replacing it is complete hogwash. The GOP's likely successor would simply be a more clearly conservative party, perhaps along the lines suggested by William Rusher and Conservative Caucus chief Howard (no, *not* Kevin) Phillips.

WISHFUL THINKING

This brings us to one final misconception, shared by the LP, the American Party, and many other sharply ideological minor parties: a false assumption that any significant portion of the American public is, or can be convinced to become, "radicalized" or even ideological. Most American voters are not ready to be swayed by one TV ad or brilliant speech setting forth consistent ideology—nor by a hundred. They are set in their political ways and identify with one party in the voting booth, as one recent study demonstrated, whether they refer to themselves by that party's label or not.

Albert Jay Nock once debunked the idea that people vote for platforms or ideologies. In 1937 Herbert Hoover suggested that the GOP call a national convention to draw up a statement of principles in opposition to the New Deal that could be used in the next election. Nock commented, in the January 1938 *American Mercury* ("What the Republicans Won't Do"):

> Brother Hoover's notion...for such a campaign, setting forth principles and ideas, is excellent and ought to be exactly right, but the trouble is that it will get nowhere in a campaign, because American voters are notoriously not interested in principles and ideas. They do not care a button for them and will not vote for them. The immense majority vote whichever way the money comes from; they vote for "prosperity"....Many of them vote out of resentment, many out of prejudice, indolent habit, indolent conformity; but not a corporal's guard of them vote out of ideas, and still fewer out of principles.

Abby Goldsmith once pointed out the same problem in the *Southern Libertarian Review* when she wrote that "the majority of people are going to support a particular order because they perceive it to work well for them, not because it is Moral or Right, and the sooner we stop throwing moral platitudes around and start doing something practical, the better off we'll be."

This brings us to the question: If the LP is an impractical way of achieving liberty in our time, is there any alternative that will work better?

POLITICAL PARTY

For those who are convinced that political involvement (as opposed to a purely educational tack) is necessary, I suggest transformation of the present LP from a political party into a grassroots political action organization similar to COPE, the American Conservative Union, or, to use a historical example, the Non-Partisan League of the Wilson era. Such a new group would have the tremendous advantage of nonpartisanship. That is, while third parties must fight, pressure groups can bargain. I suggest that the new group should pursue the old political policy of the American Federation of Labor laid down during the early years of this century by Samuel Gompers: identification with no party per se; advancement of a realistic, specific, evolutionary program; and recruitment or support of serious candidates, of whatever partisan stripe, who commit themselves to support the bulk of that program.

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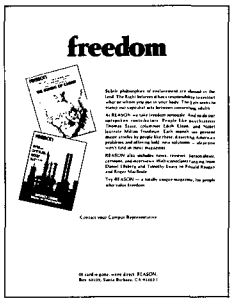

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Such an organization could lobby, both separately and in conjunction with other groups. It should seek to instruct those libertarians who believe in political action about the methods most conducive to effective political participation. It might propagandize the public by means of advertising, pamphlets, and periodicals, including some sort of nationwide publication for college distribution. It should work actively for tax limitation and other state and local ballot initiatives.

Why transform the LP rather than form a brand new outfit? There are several reasons. First, the LP is simply not a viable strategic alternative, for reasons already presented. However, as Don Ernsberger and others have pointed out, the party *has* served the movement as a focal point for gathering and, sometimes, motivating libertarians. It has some degree of organization in every, or almost every, state in the union, a fine base from which to build. Continuation of the LP, however, would mean continued competition for the limited financial and manpower resources of politically motivated libertarians, a key factor during the new group's crucial formative period. Conflicts would also develop. For instance, a serious nonpartisan group with a limited, immediate legislative program might find itself supporting (or at least not opposing) candidates that might otherwise have drawn LP opponents, such as Representatives Weaver (opposed by Tonie Nathan in 1976) and Schroeder (opposed in 1974 by John James), to mention only two. Such conflicts would only serve to create bad feelings and dangerous internal factionalism in the new group. A perfect example at the present time is the conflict inside the American Conservative Union between so-called mainstream conservatives and Tom Anderson's American Partyites.

When Jerry Tuccille received only about one-fifth of the 50,000 votes he needed to win New York's Free Libertarian Party permanent ballot status, LP national leaders openly expressed their disgust. Tuccille had had the advantage of some good press coverage; he had spent over $70,000, roughly $7 per vote. But on election day he drew fewer votes in New York City than Fran Youngstein garnered in her mayoral race the year before. LP founder Dave Nolan told an LP Executive Committee meeting that the New York party could have gotten more votes for Donald Duck for governor by handing out $5 bills on street corners. "By any objective standard," he added, "the results of the Tuccille campaign were a disaster—period."

By any objective standard, the 1976 LP presidential campaign was also a debacle. It is hoped that at least some of the party's leaders will show the same honesty they did in 1974 and admit it and that they will begin to assess new alternatives to continuation of the LP as a political party—alternatives such as the one I have proposed.

There is much that libertarians can accomplish in politics, but they need a new direction. The question is not whether America needs radical change, but how that change can best be brought about. The sort of strategy I have briefly outlined will no doubt draw complaints from some party members who, as Samuel Gompers once put it, simply "cannot understand political action unless there is a party." I suspect that history and the movement will eventually leave such individuals far behind. ◻

E. Scott Royce is editor and publisher of *Southern Libertarian Review*. He served as a member of the Libertarian Party's national executive committee, 1972-74, and currently works for the National Right to Work Committee in Fairfax, Virginia.

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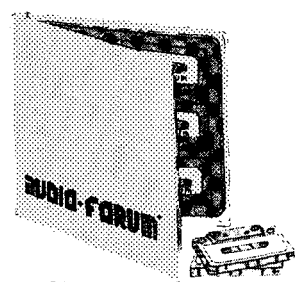

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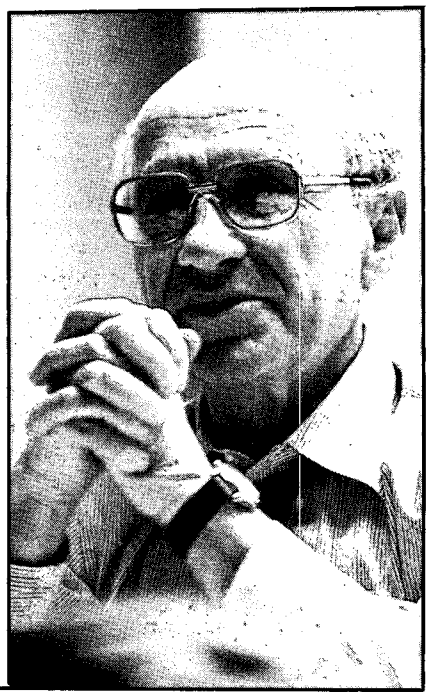


REASON INTERVIEW:

MILTON FRIEDMAN

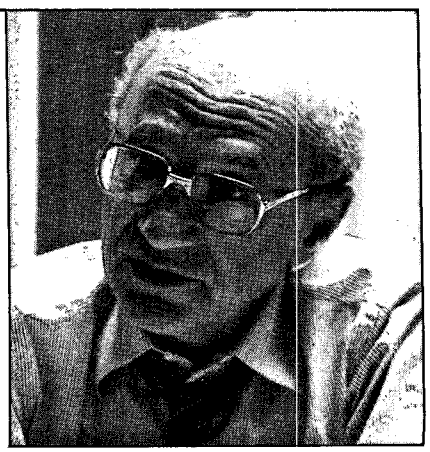
Called "an uncompromising champion of the free market and one of the most effective defenders of capitalism in America" by no less than Henry Hazlitt, Milton Friedman is nonetheless a controversial figure among some defenders of liberty. For Friedman, you see, plays the Establishment's game. He uses the same empirical, mathematical economics as the interventionist economists—but uses it to document the failures of interventionism. He is willing to work within the political system, offering advice (when asked) to political candidates and officeholders (including Jimmy Carter and Chile's General Pinochet). Besides dreaming dreams of an ideal free society, Friedman develops and promotes interim measures designed to cope with the realities of today's government interventions—measures like education vouchers and tax limitation amendments.

Clearly, this is not everyone's cup of tea. Reasonable people can differ over the tactical merits of particular reforms and the value of gradual vs. hard-core approaches to advocacy. Whatever their views of Friedman's positive proposals, few can argue with his effectiveness as a critic of government intervention and control. His lively Newsweek *column brings free-market critiques to millions of readers, and his popular books*—Capitalism and Freedom, An Economist's Protest, There's No Such Thing as a Free Lunch—*introduce many students to pro-freedom ideas.*

But it is his technical work in economics on which Friedman's reputation is based. Over the years Friedman has broken new ground in monetary theory and monetary history. His classic work, Monetary History of the United States, 1867-1960, *coauthored with Anna Schwartz, demonstrates that central banking increases monetary instability and undercuts the case for government monetary management. It is largely due to Friedman's work that "monetarism" has come to be taken seriously by economists and policy makers in the 1970's.*

Last fall Friedman's work was honored when he was

It's fundamentally intellectual cowardice to think that supporting gradualist programs amounts to a repudiation of libertarian principles.



photos by Barbara Camarena

awarded the 1976 Nobel Prize in economics. At the end of the year he retired from his position as Paul S. Russell Distinguished Service Professor at the University of Chicago. Though retired from teaching, Friedman continues to work. When we interviewed him several months ago in San Francisco he was hard at work on yet another research project, desk piled high with books, reports, and computer print-outs. We began by asking about the Nobel Prize award.

REASON: How did you feel about receiving the Nobel Prize, and what do you see as the significance of its being awarded to you?

FRIEDMAN: I was obviously delighted to receive it, financially and in every other way. But I really believe there is no special significance to be attached to it. Economics, as you know, is a fairly small discipline. Everybody knows the small group of people who are really in contention for an award of this kind. It's been clear for many years that I was in contention. I believe that almost no significance can be attached to the fact that it happened to be given to me this year.

REASON: When the Nobel selection was announced, there were some strong reactions in Sweden, as in other places, because of your having gone to Chile to give a number of lectures there. Could you clarify for our readers why you chose to do that and what you were doing?

FRIEDMAN: In the first place, I am a student of inflation. If a physician is going to study measles, he has to go where measles are; if an economist is going to study inflations, he has to go where inflations are. Over the years I have gone to a great many places where there are inflations, including Russia, Yugoslavia, Australia. South America is a good place to study real honest-to-God inflations, and Chile had one of the best inflations going at the time I went down there, which was close to two years ago now.

And so, when I was invited to come to Chile by a private foundation, under their auspices, to give a series of public lectures, I was induced to go for two very different reasons. The first was that as a scholar I wanted to see what honest-to-God inflation was like. Money was going at 20 percent a month when I was down there.

In the second place, the University of Chicago for a 10-year period, from the middle fifties to the middle sixties, had a cooperative arrangement with the Catholic University of Chile, under which they sent students to us to be trained in economics and we sent people down to Chile to help them improve their economic training program. As a result of this program, we had a series of extremely good students coming up from Chile, many of whom were in my classes and whom I got to know, and a great many of whom were involved in governmental activities in Chile. And this link that had been formed much earlier was the second factor that led me to want to go to Chile.

I had never been to Chile before and have not been to Chile since. My total stay consisted of exactly six days, during which I gave a series of public lectures of exactly the same kind I had given in many other countries on the relation between inflation and monetary variables. During this time I met with a large number of different groups of people—small businessmen, governmental officials, the military junta, including General Pinochet. I also met with some of the people who were opposed to the military junta in order to form some kind of impression of what was going on in Chile. I emphasize that I was not then and I never have been an official advisor in any way to the government. Every statement I made was made in public and has since been published. The lectures I gave have been published in Spanish translations. Since leaving Chile I have had no advising or counseling contact with anybody in the Chilean government.

REASON: Have you been annoyed by the allegations in the media that you supported the military regime by offering economic advice?

FRIEDMAN: I must say, I have not known whether to be more amused by the criticism I have received—which suggests that somehow by extrasensory perception from my office in Chicago I was able to control the day-to-day activities of the Chilean government—or to be annoyed by the misrepresentations which have been put out. I have no apologies to make for going to Chile. It was the right thing to do. I would not hesitate to do it again. I did not, in Chile or out of Chile, indicate any support of the political policies of the junta. It is a military government, it is an undesirable form of government.

REASON: Over the years you have proposed a number of ideas for "transition programs"—ways of moving in the direction of a free society. One of these is the idea of education vouchers. There have been a few piddling experiments in the last decade, but none really as you proposed it. Maybe you could say a few words on why you think the idea has not even been given a chance.

FRIEDMAN: HEW's Alum Rock experiment was a fake. There's no doubt about why—it's because of the opposition of the educational bureaucracy. Every time this has come up, it has been the teachers' unions and the school administrators who have fought tooth and nail against it being adopted. In New Hampshire, where I thought we had the best chance, where the head of the state Board of Education was strongly in favor of it and worked like a dog to get a Federal grant for it, some people at Dartmouth did a good job of developing a very detailed program for the experiment. In something like five districts the parents initially voted to try it. In every single

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one, the school teachers and administrators got to work and reversed that decision.

REASON: Does that mean there's no point in continuing to push the idea?

FRIEDMAN: No, but I think that experience does suggest that any effective program to have a voucher experiment will have to meet head-on the problem of overcoming the educational bureaucracy. One possible way is to try to restrict any voucher experiment to the slum areas of our big cities, because that introduces a conflict of interest on the part of the educational bureaucracy. Since the teachers in the public school systems do not want to teach in the slums, on the one hand, they wouldn't like the voucher experiment; on the other hand, they would love the idea of any development that would enable them to get out of having to assign some of their numbers to do slum teaching. And I wouldn't mind having the experiment restricted that way, because I believe that the voucher scheme would have the greatest potential for doing good in slum areas. Those are the areas in which the so-called education we provide is most ineffective, in which there is the greatest need for a free-enterprise voucher system in order to improve the education available to the slum dwellers.

REASON: How do you deal with the charge that a concept like vouchers is a betrayal of libertarian principle?

FRIEDMAN: As you know, I don't feel that way. I am not going to argue for a moment that if we were starting with a clean slate, in which there were no government involvement in schooling at all, I would necessarily be in favor of a voucher scheme. My advocacy of it derives from the existing situation, in which you have enormous government involvement, and from asking the question, How can we move in a direction of lesser government involvement, the direction in which all of us, your most extreme libertarians as well as myself, want to move? Maybe there will be an argument of how far we ultimately want to move, but at the moment we want to move in the same direction.

There is no possibility, in my opinion, of moving there overnight. Not only no possibility, but it's not desirable. You do have people who have commitments, you do have people having made arrangements for their lives. If you want to move in a direction of lesser government involvement, it seems to me that this proposal offers a gradual way in which you can move there, a way that is not only politically feasible but, much more important, will do no harm in the process. Now I have great doubts myself about the desirability of compulsory schooling, and I can well sympathize with those people who want to campaign against compulsory schooling.

REASON: Would you advocate abolishing compulsory schooling simultaneously with vouchers?

FRIEDMAN: One tactic that it seems most important to stress is the desirability of being prepared to do one thing at a time. It seems to me that the all-or-none approach—either you take my whole package or I won't play ball with you—is only a retreat into fantasy. It's only a way in which people can protect themselves from having to face up to the really hard problems of how you do move from where you are to where you would like to be.

REASON: You once stated that the Libertarian Party would perhaps serve the same role as the Socialist Party in the United States: it would never get into office but would shift the spectrum and move things in the right direction. Would you favor the Libertarian Party playing that role as opposed to the Fabian role of proposing gradual step-by-step reforms and attempting to get elected to implement them?

FRIEDMAN: The role that the Socialist Party played was not as a party that got elected, but neither was it as a party that was unwilling to support transitional moves. I don't believe that the two roles you've described are exclusive whatsoever. The Libertarian Party can play an important role as the Socialist Party did, in being a party of principle, but that doesn't exclude seeing how to apply those principles to the task of a gradual transition from where you are to where you would like to be.

REASON: This controversy seems to be the major, burning issue for the Libertarian Party today. Many members think that supporting gradualist programs amounts to a repudiation of libertarian principles.

FRIEDMAN: That's fundamentally intellectual cowardice. What does it do to say, I would like to have a world which is wholly different from the way it is now, but I will not specify any feasible way to go from here to there? That's asking for revelation, not analysis.

REASON: Let's take another issue that touches on this transition problem. In *Capitalism and Freedom* and elsewhere you have argued that Social Security is a bad system and ought to be abolished. Do you know of a specific transition plan that you think is feasible for getting rid of it without causing undue harm?

FRIEDMAN: My transition plan is very simple. You calculate the obligations that have already been assumed to those who are retired and those who are not. To every individual, the government gives a claim entitling him to that in the form of either the actual annual payments or the equivalent present value. Having done that, you then eliminate immediately all payroll taxes and all accumulation of future benefits. Everybody has gotten what you are commited to now. You have also imposed upon the Federal government a large obligation (which already exists). It's there now except it's unfunded. As the years roll by, you pay down that unfunded obligation out of general revenues. Now various other people, Jim Buchanan and others, have proposed even more gradual schemes which would invovle enabling individuals to contract out and so on. On the whole, the simple plan I have just described is preferable to any of those.

REASON: You have also been involved in the National Tax Limitation Committee, promoting the concept of constitutional tax limits, limiting the percentage of income the government may take. So far, these efforts have failed to achieve success for apparently similar reasons to the failure of the voucher system: very strong vested-interest opposition. Do you have any ideas on how to make the tax limitation idea more salable?

FRIEDMAN: I think that the prospects for these are far brighter than the prospects for the voucher system. Let me point out one thing—people tend to be very impatient. But how many of the so-called reforms that have given us the welfare state were passed the first time they were put up? None of them. What happened is, they were proposed, they were knocked down, they were proposed, they were knocked down. Gradually, in the process of being proposed over and over again, they built a constituency. You can see that at work now with the national health insurance. It's been knocked down a half a dozen times. But that doesn't seem to be preventing its proponents from keeping it up.

So far, the tax limitation amendment has been defeated once in each of two states, and there's a tendency for people to throw up their hands and say, "Well, you see you can't get that passed." It seems to me that, on the contrary, they did extraordinarily well for the first time such a strange idea came up. In California the vote against it was something like 53 to 47 percent; in Michigan, 54 or 55 to 45 or 46 percent. In Michigan the opponents, mostly the Michigan Education Association, acting behind the veil of the League of Women Voters, marshalled a slush fund with three to four times more money than the proponents had. So they had to spend about three times as much per vote to beat it as our side had to spend to get our

votes. I think that is a very favorable sign. The campaigns have been accustoming the voters to the issue, and I believe that this proposal will be on the ballot again in California and again in Michigan in the next year or two. It will be on in other states, and I will be very much surprised if it isn't passed in several states in the next couple of years. And once it starts passing and people become familiar with what's going on, I think there's a chance that there will be a snowball effect. So, I'm very optimistic about that movement.

REASON: In both states the very emotionalistic propaganda put out by the public employees interests actually frightened people into thinking it would cause tax *increases*. Have you or the committee thought of ways to counteract that in future campaigns?

FRIEDMAN: I think that the one lesson that has impressed us is the need to start early on the educational campaign. What happened in these cases is that the opponents mounted a last-ditch blitz. And since understanding of the concept is shallow, these misrepresentations could be effective. I believe that the one lesson is, start early and keep hammering at it. Don't wait until just before the election. In the Michigan case, the proponents of the measure brought suit against the League of Women Voters and the Michigan Education Association to enjoin them from distributing false and misleading propaganda. On the Saturday before the election, a judge refused to enjoin them but in his decision stated explicitly that their advertising *was* false and misleading. The interesting thing about this is that the public relations people stayed up all night trying to communicate that information to every newspaper and other public medium in Michigan, and not a single one picked it up. Now that suggests the problem that you have.

REASON: Another one of your reform proposals has been indexation, as a measure to counteract the effects of inflation. A *Los Angeles Times* story on the Nobel Prize award stated that you had condemned indexation when you were in Stockholm. Is that correct?

FRIEDMAN: No, I didn't condemn price indexing at all. What I said, in my Nobel lecture, was that indexing will not really eliminate the harm, it will only reduce it. In addition, I said, indexing is even at best an imperfect substitute for stability of the inflation rate. Price indexes are imperfect; they are available only with a lag and generally are applied to contract terms only with a further lag.

REASON: Do you think that indexing has nonetheless been a valuable tool in places like Brazil?

FRIEDMAN: There's no doubt that indexing has been not only valuable but indispensable in a case like Brazil. You know, people talk as if it's an option whether to index or not. Once you get an inflation rate, let's say in double digits for some considerable period of time—more than a year or two—there's no alternative to indexing. No country has experienced inflation at that rate and not gone in for indexing. Actually, the important thing is not the rate of inflation, but the volatility of the rate. If inflation were exactly 15 percent year after year, or exactly 30 percent year after year, there would be no need for indexing. You would make long-term wage contracts and you'd have an interest rate that would account for the steady rate of inflation. Everything would be adjusted. There would be no need for indexing.

The need for indexing arises out of the coincidence of two things: high *average* rates of inflation and highly *variable* rates of inflation. Now empirically it is an important phenomenon that those two have gone together. And it's this that leads to the kind of statement I made about high rates of inflation leading to indexing. When you have a very volatile inflation, you have only two choices: either you make very short-term contracts, so you don't have to bet very much on what the inflation rate is going to be, or else you index. Now, if you get an inflation rate that is really high, let's say the 20 percent per month inflation when I was in Chile two years ago, indexing doesn't do much good, because the defects of the index number, the delays and so on, then become so great that it really is a very imperfect instrument. Indexing is most useful in the intermediate case, when rates of inflation are somewhere between 10 percent and 50 percent a year, and these rates vary, but not all over the lot.

There is ample evidence that private currencies which offer purchasing power security would not drive out governmental currencies.

Let me make one more observation about indexing. I think it is important to distinguish between compulsory and voluntary indexing. I'm in favor of compulsory indexing only for governmental contracts. So far as private contracts are concerned, let people do what they want. But there should be no legal discriminations against indexing. On the governmental side, it seems to me it should be part of the rule of law that government make its contracts in real terms. That involves indexing government wages, but also indexing taxes. It means, even more importantly, indexing government borrowing.

REASON: In *Capitalism and Freedom* when you talked about the money supply you argued that there should be a rule providing for a steady rate of growth of three to five percent per year. Recently, I heard that you now favor a zero rate of money growth. What *is* your present view?

FRIEDMAN: What you are referring to is an article I wrote some years later on the optimum quantity of money, which said that from a purely abstract point of view, assuming you were starting from a clean slate, the optimum rate of growth in the quantity of money would be lower than that—that the optimum process would be one whereby you had declining prices rather than stable prices. But I also said, you're not starting from a clean slate, you're starting from a situation where there has been deeply embedded in the public at large an attitude that prices will at least be stable if not rising. And as a practical matter, I thought that the three to five percent remained the most desirable compromise between practical feasibility considerations on the one hand and the theoretical argument from principle on the other.

REASON: Wouldn't a rule dealing with the quantity of money have to be in the nature of a Constitutional amendment as opposed to just legislation passed by Congress?

FRIEDMAN: It would be far preferable to have it as a Constitutional amendment. But, again, if you can't get the whole, you take part. I would rather have Congress legislate it than not have it at all. And you know, there has recently been a major change in the formulation of monetary policy. In my opinion, the resolution that was passed a year and a half ago, requiring the Federal Reserve to testify before Congress quarterly and to give its targets for monetary growth over the succeeding year, was the most important change in the formation of monetary policy since the 1930's. In the first place, it had the effect of making the Fed for the first time in its 60-year history set itself targets for as much as a year ahead. Here was an institution which was established to provide for long-range control of the money supply, and to the best of my knowledge, and I have gone through most of the documents, there was never at any prior occasion a time at which it had made any

plans for as much as a year ahead. In the second place, and even more important, the new law requires it to specify its targets in terms of the money supply and not in terms of interest rates or anything else. This has reinforced the trend which was already under way for a shift from concern with interest rates to concern with monetary aggregates.

Now the Fed has been extremely subtle and clever in doing its best to minimize the discipline imposed by those requirements. It has done this by various technical devices that I won't go into. Nonetheless, the effect has been to make the whole process more visible. This is inducing Congress to express judgments on whether these are good or bad targets. And I predict that this is gradually going to move in the direction of Congress itself specifying targets, which on the whole, I believe, would be a desirable thing. I am *not* in favor of an independent Federal Reserve System.

REASON: Won't those targets tend to be heavily politically influenced?

FRIEDMAN: What leads you to believe that they haven't been in the past? I'd rather have them openly and aboveboard politically influenced. The effect of pseudo-independence has been to disperse responsibility. If you talk to the Congress about inflation, then that's something the Federal Reserve is doing. If you talk to the Federal Reserve, they point to Congressmen who are putting up big deficits. I believe the situation will be far healthier if responsibility is concentrated in one place.

REASON: What are your reactions to F. A. Hayek's proposal for denationalization of money?

FRIEDMAN: I am all in favor of his proposals. But I differ sharply from him in my predictions of their consequences. I believe that it is highly desirable to let anybody go into the business of providing money. But I think we have ample empirical and historical evidence that suggests that his hopes would not in fact be realized—that private currencies which offer purchasing power security would not drive out governmental currencies. In the first place, note that you now have a system of competing currencies. There is nothing to prevent anybody from using German marks instead of U.S. dollars, nothing to prevent anybody in Germany from using dollars. So you do really now have competing currencies.

REASON: Except, wouldn't legal tender laws in this country prevent you from making an enforceable contract in, say, Swiss francs, on the same rationale by which gold clause contracts were ruled illegal?

FRIEDMAN: That's very dubious. I think we would all agree that if it had not been for the fact that the enforcement of the gold clause contracts really would have produced perverse equity at that time, they probably would not have been declared unenforceable. At any rate, the argument with respect to gold clauses did not have to do with legal tender laws. It had to do with the Constitutional provision giving Congress the power to coin money and regulate the value thereof and the treatment of gold as if it was money. I don't think there is anything to prevent you and me from entering into a contract now in which the rent I pay to you on the house next year depends, let's say, on the price of timber. All the legal tender law says is that if I have a debt in dollars it can be discharged with these dollars, but the question is, What determines the size of debt in dollars? Suppose you were to offer me the following contract: the subscription price of REASON is $15, equivalent to 35 marks, so a year from now the dollar subscription price of REASON will be 35 times the closing price of marks on the International Money Market in Chicago. That's a dollar subscription price, but it's indexed to the mark. Maybe I'm wrong, but I don't think there's anything illegal about that.

REASON: If that's not illegal with marks, then gold is the only commodity for which it would be illegal.

FRIEDMAN: Well, gold was declared illegal then. I am not at all sure what would happen if a comparable case were brought up now, because it has not been litigated since the monetary role of gold was fundamentally changed. To go back to Hayek's case, the first point is that, empirically, in worlds of competing currencies, the national currency has exerted an enormous attraction because of its familiarity of use. In the second place, it's very hard for me to see how any of his banks would be in a position to offer credible contracts in purchasing power terms. I can see how his banks could offer contracts in terms of other currencies. The U.S. bank could offer contracts linked to the mark, because it could acquire mark assets. But how could a bank offer a credible contract payable at a fixed purchasing power adjusted for purchasing power? What assets does it acquire in order to have its books balance? There are no purchasing power assets. The only way in which I can conceive of there being any is if the U.S. government were to issue purchasing power securities. And then, I can perfectly well see private enterprises arise which would issue purchasing power securities, life insurance companies which would use these as assets; that I can conceive of. But then you're still relying ultimately on the government as the source of the purchasing power asset which is the counterpart to your currency. So, as I say, I will go all the way with Hayek in favor of allowing the maximum degree of freedom for banks to offer anything they and their customers agree upon. But I differ with his predictions that this would turn out to be an effective way of getting a superior currency.

REASON: Let's get back to social change. If you could wipe out or recommend wiping out various government agencies and programs virtually overnight or in a very short period of time, which ones would those be?

FRIEDMAN: There's no doubt that my first choice would be to move to complete international free trade. Wipe out all tariffs, quotas, and restrictions. That would by all means be the most important single thing you could do to promote the free market.

REASON: And what would be some of the government agencies and programs?

FRIEDMAN: Oh, any one. Just name them at random. First on my list, I guess, from the point of view of quantitative importance, not from the point of view of principle, would probably be the ICC and CAB. You know, it's so hard to decide what's first in a race like that. I hesitate, because I now think of the Federal Energy Administration and the Federal Power Commission.

REASON: Let's just take it as a first-year program, where we make a whole lot of changes, not in any particular order, but all within the first year.

FRIEDMAN: Well, as with the tariffs, and this gets back to an earlier point, there is a case for gradualism. I say I would abolish tariffs, but I would not really abolish them overnight. What I would do would be to lower every tariff or to raise every import quota by 20 percent a year. In the case of tariffs, that would eliminate them in five years. In the case of quotas, that would eliminate them as soon as this hypothetical limit exceeded the amount. So, I would hope that by the end of five years we would have complete free trade. I don't think it would be desirable, economically, to do it overnight, because you want to give people a chance to adjust to the new circumstances.

REASON: There's a political point to that too, in terms of having people not turn around and attack free-market ideas for causing too much disruption.

FRIEDMAN: There is a political element, you're quite right. Now, in the case of some of these agencies, the same thing may or may not be true. But in some it would not be. For example, I

would abolish the Federal Energy Administration tomorrow, without any gradualism at all. I would eliminate the price controls on oil and natural gas immediately without any transition. Those are not cases for gradualism.

REASON: Would you abolish the FDA and the FCC?

FRIEDMAN: I would certainly abolish the FCC. As you may know, I have long been in favor of auctioning off the radio and TV channels, establishing private property in the right to broadcast signals of certain frequency at certain places over certain hours, and then allowing the market to recombine them. And I would, simultaneously with that, abolish the FCC. The FDA I would also abolish. Although I believe that there is zero case to be made for the FCC, the FDA is a case of judging pros and cons, and there are some arguments to be made in favor of the FDA. But I think experience has amply demonstrated that in practice the negative aspects of it outweigh the positive aspects.

REASON: Looking at the things you have done in your life, and there are a great many things and a great many successes, what are the ones that are the most important to you?

FRIEDMAN: You have to answer that on two different levels. Obviously, on a personal and professional level, the most important things that have happened to me are in my personal life and my scientific activity in the discipline of economics. But if you speak of the public policy activities, I have no doubt that the thing I am proudest of is having played an important role in getting rid of the draft and introducing the volunteer army.

REASON: What are some of the disappointments or regrets that you have?

FRIEDMAN: Those are too numerous to detail. But I suppose that, again, if I looked at it, obviously on the public level, I think the greatest disappointment to myself and many others has been what the Nixon regime turned into. And it has certainly impressed me with the importance of concentrating on public attitudes and opinion rather than on who gets elected.

REASON: When you helped found the Mont Pelerin Society...

FRIEDMAN: Well, I didn't help found it, I was a charter member. That is, I was present at the founding meetings, but that society was founded entirely by Frederich Hayek and Wilhelm Roepke, and they deserve full credit for that.

REASON: When it was founded, were your views about the future more hopeful, or more pessimistic?

FRIEDMAN: In one respect, more hopeful, and in one respect, more pessimistic. I was far more pessimistic, and so were most of us, about the actual course of events over what then seemed the next 25 or 30 years. We seemed to be heading directly into planned economy in every country, an extensively planned economy. If you were to have asked us then to predict the most likely situation in the year 1977, I think most of us would have predicted a far greater extension of government controls even than we have had. On the other hand, on the intellectual level, events have in an important respect been worse. We were hopeful at that time that a new attitude could be developed on the intellectual level toward free enterprise, toward freedom in general and away from collectivism, socialism, planning. And while there has been an enormous increase in the sentiment favorable to this, the really disappointing thing is—well, Germany illustrates it best. West Germany certainly is a monument to what a free market could produce. Yet if you look at intellectual opinion in Germany, it has moved increasingly to the left. And you would have to say that the bulk of the intellectuals there are socialist and collectivist.

The thing that I am proudest of is having played an important role in getting rid of the draft.

REASON: Does the emergence over the last four or five years of a fairly large libertarian movement give you any sign of hope that there may be more intellectual interest in the philosophy of the free market?

FRIEDMAN: It is an indication of that, and I would like to hope that it will continue to develop. But there was a similar surge about 15 years ago. I have comforted myself that the Vietnam war and the draft and the divisions it produced were responsible for aborting that surge and that now we are starting over again. And I hope that view is correct. But the disappointment of the previous surge leads me to say we mustn't count our chickens yet.

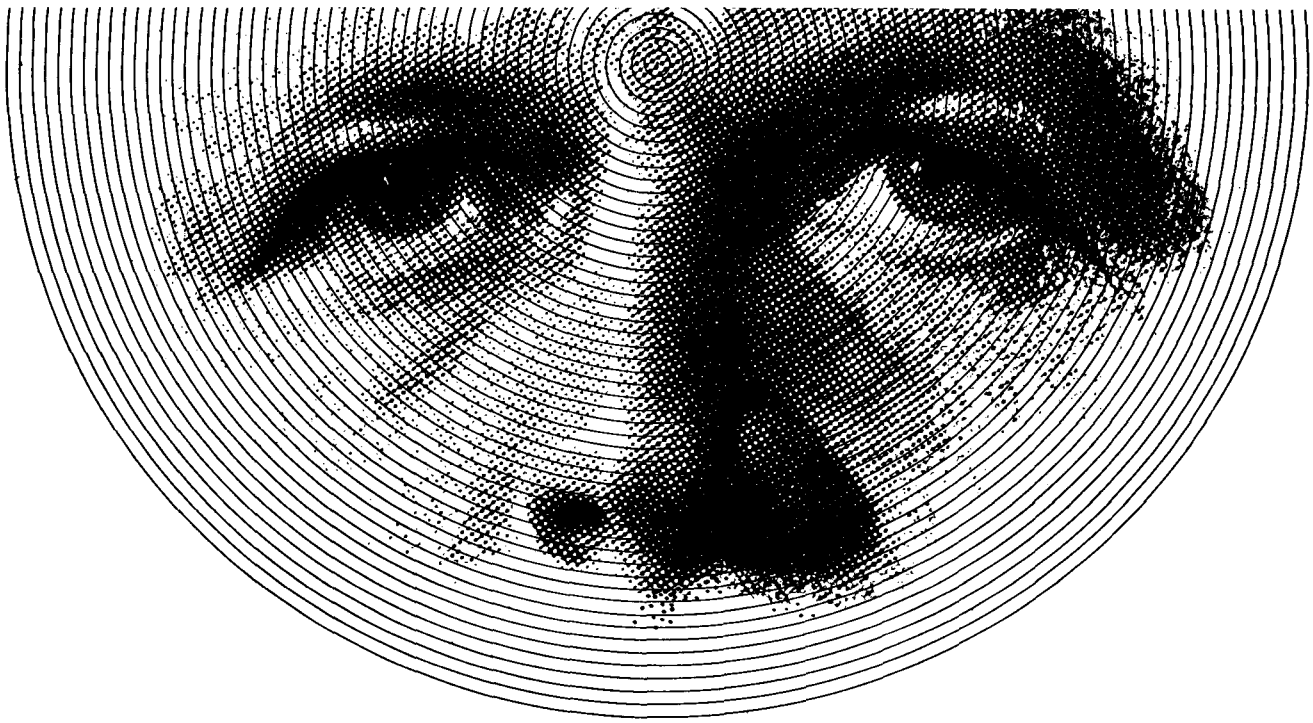
REASON: Just as a footnote to your comments on the draft, there have been a number of trial balloons in the last few months about reinstating the draft. From where you sit do you see this as a real threat?

FRIEDMAN: I don't believe so. If we got into a major military confrontation, I fear the draft would be reimposed, but short of that I don't believe that it will be. One of the things that is most impressive is the tyranny of the status quo. It takes a great deal more for us to change the situation than it does to keep it. It took a great deal of pressure and political activity to get rid of the draft, but once you got rid of it, it would also take a great deal of pressure to get it back.

REASON: Have you noticed any tendency of liberals to go back to the roots of the liberal tradition—to 19th-century liberalism? You get people like Governor Brown who are harkening back to decentralization, skepticism of government, and so on. Do you think there's any chance of the good guys recapturing the word "liberal"?

FRIEDMAN: Well, that's a very hard thing to say. I believe there has been among those people who are, in the American lexicon, called liberals a great disappointment and disillusionment about what can be achieved through governmental measures. But in many cases, I do not believe that there has been a real recognition of the source of the failure. Too often the attitude is, Well, we didn't do it right, we've got to do it right next time. I think Governor Brown is not typical of the liberals. He is a maverick, more or less made in his own image. And he is a very complex person who is half astute politician, half intellectual Jesuit. And I don't think you ought to generalize very much from his position. The more interesting thing to me has been the so-called neoconservatives—people who were originally mostly Marxist or socialist or liberal in the American sense, who have moved less in the libertarian direction, in my opinion, than in a traditionalist direction. In the direction of Burke as opposed to the John Stuart Mill of *On Liberty*. Now in a way that certainly is an improvement. And I have a great deal of sympathy for many of the Burkean views, though my own instincts are much more those of Mill's *On Liberty*. Yet there has been a misleading surge of hope on the part of libertarians that this represents a real change in the intellectual attitudes and views of a whole generation of people. I don't believe it does. I believe that, as always, real changes in values and philosophies occur primarily among the young. Very few people change their basic philosophy after they are 25 years of age. And if there's a hope for the future, it is really in the greater proportion of the youngsters who are recognizing that liberal measures are a snare and a delusion and have therefore been led to be favorable to a libertarian, free-market view.

REASON: Thank you very much, Dr. Friedman.



UFO's, Bent Spoons, and Alternate Realities

Can the scientific outlook survive in an increasingly psuedo-scientific age?

by Robert Sheaffer

Throughout all history, liberty and scientific thought have never flourished far apart. Science did not originate with a tribal society in the Amazon. It all but vanished during those centuries when Europe was held in the iron grip of the Church, and science did not follow in the wake of Genghis Khan's advancing legions. The scientific outlook has always been frail, easily perishable; and an essential ingredient, throughout all history, has been *liberty*, both political and economic. Science flourished during the Golden Age of Greece, in Renaissance Italy, in northern Europe during the early days of the Industrial Revolution, and in America since colonial days. All of these periods represent high-water marks for economic and political liberties. Science is the offspring of an unfettered, self-confident, and forward-looking intellectual climate.

The first person known to have systematically applied a rational and secular approach to the study of the universe is the Greek philosopher Thales of Miletus, who lived in the sixth century B.C. His theories may appear laughable when contrasted with the sophistication of present day science, but his methodology of seeking objective answers to questions about the universe—making observations and generalizing natural law—represents a major milestone in the history of civilization. The sudden emergence of the secular philosophy of Thales and his followers has often been termed the "Greek Miracle." (For an analysis of it see Marshall Clagett, *Greek Science in Antiquity* [N.Y., 1963], chap. 2.) Those of us who have little use for miracles might note that the so-called Greek Miracle took place at a time of rising prosperity, when commerce flourished throughout the entire eastern Mediterranean. Both goods and ideas traveled freely.

A study of history indeed seems to suggest that both science and capitalism are nurtured by the same intellectual environment; almost never do we find one flourishing without the other. I am aware that Marxist countries take great pains to characterize themselves as completely scientific, but the true vitality of Soviet science may be judged by that country's technology, which lags far behind its Western counterpart. (Solzhenitsyn asserts that the "top secret" papers kept locked up in vaults inside the *sharashkas*, the special forced-labor camps set up for scientists and engineers, consisted mostly of articles clipped from various Western technical journals.) The Soviet purges of scientists who were guilty of advocating the "bourgeois" theory of genetic inheritance are remarkably similar to the Church's persecution of Galileo three centuries earlier, serving to demonstrate how alien to such regimes is the concept of objective scientific enquiry. The scientific outlook is as uniquely Western as the concept of individual rights, and it is as delicate as the framework of human liberty.

RISE OF PSEUDOSCIENCE

Today science is increasingly under attack. Scientists are widely perceived as being cold and calculating, almost bereft of "social consciousness," the unthinking, unfeeling accomplices of a sinister "military-industrial complex." Given the existence of this enormous reservoir of ill-will toward all things scientific, it should come as no surprise that we live in an era when anti-science, in the form of pseudoscience, is dramatically on the

rise. Astrology and the occult, telepathy and psychokinesis, UFO's, "ancient astronaut" myths, are all attracting an ever-increasing degree of interest and attention. That these beliefs should be spreading among lesser-educated individuals is a significant (if not totally surprising) development. And that pseudoscientific ideas should be gaining wholehearted acceptance from at least a few highly visible members of the scientific community, as is indeed now taking place, signals the complete collapse of the world view that has prevailed among scientists since the time of Francis Bacon and perhaps even heralds the end of our modern technological civilization.

The reader should not conclude that I am rejecting what I term the pseudosciences out of prejudice or ignorance. Some people disbelieve in the pseudosciences for no better reason than because it all *sounds* so implausible. Yet this is a habit of mind no more excusable than the childlike credulity with which many of these cults' adherents accept tales of wonders supported by little or no proof. I have spent a great deal of time investigating supposedly "classic" unsolved UFO cases. I have collaborated with my colleagues, among them Philip J. Klass, the noted UFO skeptic and author of *UFO's Explained* (N.Y., 1974), and James E. Oberg, a well-known popular writer on astronautics and space sciences. We have between us probed into nearly every famous UFO encounter reported in the United States. Without exception, when all the facts are known, these cases are not nearly as impressive as they are made to appear when depicted by the sensation-hungry media and by the all too credulous "scientific" researchers. The bias toward beliefs shared by virtually all of the supposedly scientific investigators into these strange phenomena effectively precludes them from functioning as investigative reporters.

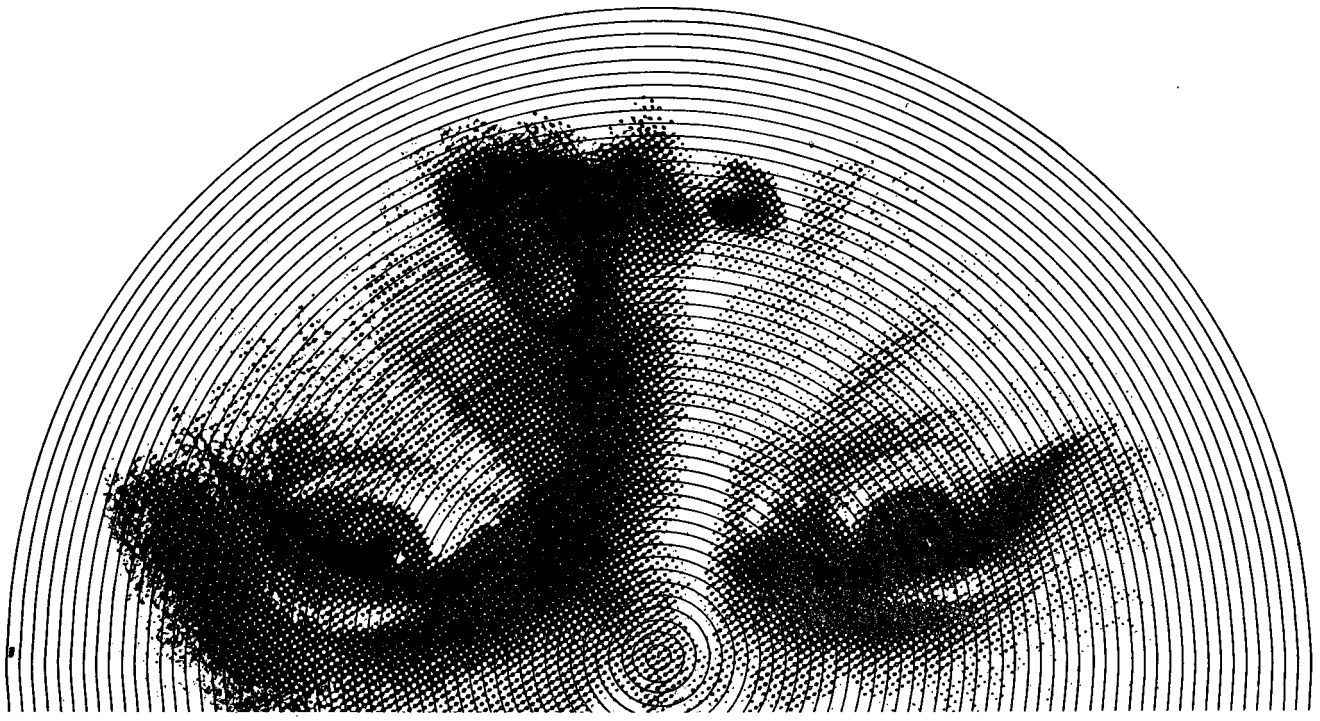
I don't want to attempt here a detailed refutation of the various pseudosciences. Any reader unwilling to abandon belief in one or more of these areas should carefully consider the evidence presented by outspoken skeptics, for example, by C. E. M. Hansel in *ESP: A Scientific Evaluation* (N.Y., 1966), Lawrence David Kusche in *The Bermuda Triangle Mystery —Solved* (N.Y., 1975), James Randi in *The Magic of Uri Geller* (N.Y., 1975), Charles Fair in *The New Nonsense* (N.Y., 1974), and Klass in *UFO's Explained*. It is significant to note that the believers nearly always meet such overpowering challenges as these books present, not with argument and evidence, but with an embarrassed silence.

SILENT SCIENTISTS

The skeptics have spoken out more during the past five years than in all of the preceding 15. Yet it would be a mistake to conclude that the scientific community, feisty and self-confident, is closing in on its prey. The active debunkers, for the most part, are *amateurs*, many of them highly skilled and effective, but almost none of them professional scientists. The man who exploded the Bermuda Triangle myth, Lawrence David Kusche, is a reference librarian. The most persistent and successful debunker in UFO history, Philip J. Klass, is a technical journalist. The effective critics of spiritualism and parapsychology have been stage magicians. Professional scientists have for the most part remained totally silent on these subjects.

The "believers" within the scientific community have, however, become highly outspoken, generating attention far out of proportion to their small numbers. Nonsense, like weeds, will flourish where there is nothing to stop it, and resistance to the pseudoscientific onslaught has been weak and disorganized. One can easily see which side feels itself to be on the intellectual and moral offensive. It is not the side of reason. Like defenders of capitalism, advocates of the scientific method have been timid, remaining silent in the face of mounting attacks, no matter how absurd or ill-founded.

Why are the forces of reason so demoralized? One potent factor is the radical subjectivism that so thoroughly pervades modern thought. Present-day intellectuals, carefully trained to avoid "dogmatic" habits of thinking, feel uneasy when forced to consider whether there is or could be any objective knowledge of the universe. They're reasonably sure that copper conducts electricity—certainly they'd never grab hold of a live copper wire—and yet how certain can they be of the truth of that proposition? Copper *is* an electrical conductor, true enough—at least accord-



ing to present-day scientific theories and when viewed from the Western, proscientific conception of reality. But who is to say that this must be true for everyone? Perhaps in some other culture, or in some other, equally valid, view of reality, copper acts as an insulator and the people who believe this are as certain of their opinions about copper as we are of ours. I submit that when statements such as these pass for enlightened, progressive thinking, as they do today, it clearly signals the internal collapse of the intellectual world. Who in such a climate, especially among those professionals who devote their lives to the advancement of "knowledge," would dare to risk his intellectual reputation defending a concept so passé and bourgeois as the idea of *objective scientific truth*? Thus the pseudoscientific (and antiscientific) cause advances, as vulnerable as an invading army arriving in hydrogen-bag balloons, but encountering virtually no resistance.

"ALTERNATE REALITIES"

So fertile is the intellectual climate for nonobjective patterns of "thinking" that

We live in an era when anti-science, in the form of pseudoscience, is dramatically on the rise.

alternate-reality theories are beginning to surface openly among the so-called scientific investigators of the paranormal. Drs. J. Allen Hynek and Jacques Vallee—described by their publisher as "two of our country's most eminent scientists, both of whom have studied the UFO phenomenon for two decades" (the second part of this statement is beyond contention)—have recently produced a book titled *The Edge of Reality* (Chicago, 1975), in which they attempt to show the allegedly great importance to science of the UFO phenomenon. The authors do not shy away from the question of the obvious internal inconsistency of the phenomenon as pseudoscientists generally do: inconsistency becomes just another attribute to be recorded and analyzed (p. 103). Why are UFO's sometimes reportedly seen on radar and at other times not? Why do UFO occupants reportedly make such bizarre, even demonstrably incorrect, statements to the persons they allegedly contact? How do UFO's always manage to slip away before incontrovertible proof of their existence can be obtained?

Vallee, a computer scientist who also holds a master's degree in astrophysics, suggests that perplexing and absurd cases of reported UFO contact must be approached in the context of the question, "Was the experience real, and if so, in what kind of framework?" (p. 257). Hynek, former chairman of the astronomy department at Northwestern University and UFO consultant to the Air Force, similarly holds that phenomena such as UFO's, ESP, and out-of-body travel are "signalling that there's a reality that the physical scientists... aren't at all conscious of, but exists!" (p. 256). In *The Invisible College* (Chicago, 1975) Vallee explains that if enough people come to accept the reality of the UFO phenomenon, "in some sense it will become *truer than true*" (p. 207, emphasis in original), which will then lead in some unspecified manner to "irreversible" changes in society (for the better, of course). If the reader is unable to fathom the exact meaning of statements such as these, he can reflect on Vallee's observation that the apparent violation by UFO's of "our laws of causality" suggests that "their logic is a metalogic" (p. 208), which tells us something about Vallee's logic as well.

Another scientist who has retreated into a universe of alternative realities (which must be where the tornado blew Dorothy) is Andrew Weil, M.D. who is a fellow of the Institute of Current World Affairs in New York and a research associate in ethnopharmacology at Harvard's botanical museum. Weil, who specializes in the study of "unfamiliar states of consciousness," became interested in the alleged psychic abilities of the famed Uri Geller—a young Israeli who claims to possess a wide assortment of paranormal powers that reportedly originate from the mysterious space people of the planet Hoova, who communicate with Geller via tape casettes that dematerialize as soon as they have delivered their message. (One would hope that the extreme absurdity of Geller's reported contacts with "space people," who habitually utter metaphysical platitudes, might serve as a warning to all reasonable persons to be extremely wary of the "Geller phenomenon." Yet believers in Geller, such as Jacques Vallee, dismiss these absurdities with the observation that "Geller, like many UFO contactees, may be misinterpreting the nature of these communications.")

Weil met with Geller in New York and was treated to an impressive display of allegedly paranormal phenomena. (Weil's encounter is written up in *Psychology Today*, June and July, 1974.) Geller bent keys by merely thinking about bending them, used his telepathic powers to look at drawings that were kept hidden from his sight, and even materialized a small metal object out of thin air! Weil found the powers he had presumably witnessed to be "extraordinary and impossible to deny." Weil had already arranged a meeting, however, with James ("The Amazing") Randi, a noted stage magician who loudly proclaims Geller to be a fraud—a clever conjurer, and nothing more. Deciding against breaking the appointment, Weil reluctantly proceeded to Randi's house, where he witnessed a display of "paranormal" powers every bit as impressive as Geller's except that they were performed by a well-known sleight-of-hand artist. Randi performed so convincingly that, as Weil confessed, his faith in Geller's powers "lay in pieces on the floor" (June, p. 45).

Did Weil reach the obvious and straightforward conclusion that because of his unfamiliarity with ordinary magic tricks he had been duped by a skilled conjurer who poses as a psychic? Not at all! Such a simplistic conclusion would be unworthy of a modern-day man of science. Is Geller a fraud? An "un-

Like defenders of capitalism, advocates of the scientific method have been timid.

answerable" question, proclaims Weil. He both is and is not a fraud, "depending on who is looking and from what point of view" (July, p. 74), a contention that shows the enormous progress made in science and philosophy in the 23 centuries since Aristotle attempted to shackle the creative mind with his law of noncontradiction.

How could the learned Dr. Weil ever be so presumptuous as to attempt to treat any patient? A patient's arm might or might not be broken, depending on who looks at it and from what point of view, and what treatment, if any, may be required is not determinable, since it depends on which universe the good doctor's consciousness may be inhabiting at any particular moment.

SCIENTIFIC SUBJECTIVISM

Having thus done away with the restrictive and outdated concept of objective truth, the question of why some scientific theories should be preferred to others becomes rather difficult to answer. Traditional standards of scientific merit such as repeatability of experimental results and successful

prediction of future events become at best unreliable and at worst irrelevant. In fact, scientific subjectivism is not only fashionable among the advocates of nonsense, but it is becoming increasingly prominent among academic philosophers and historians of science.

Today's leading proponent of scientific subjectivism is Thomas S. Kuhn, who in his influential book *The Structure of Scientific Revolutions* (Chicago, 1962, 1970) suggests that psychological forces, not logic or experiments, play the decisive role in determining what scientific theories are accepted.

According to Kuhn, the establishment scientific world view, which he calls a *paradigm*, tends to prevail, at the expense of other views, for as long as it can continue to attract and inspire a significant number of dedicated adherents. An old paradigm passes away, he says, not when it is found to be incompatible with objective facts, but when the last of its aged adherents finally gives up the ghost, leaving the scientific establishment firmly in the hands of the Young Turks. Whatever evidence may sway individual scientists to change paradigms will not necessarily convince other scientists; a change of scientific paradigms is closely akin to a religious conversion (Kuhn's terminology)—both are a type of gestalt switch and are generally not the result of evidence or rational persuasion.

Needless to say, some serious objections can be formulated to this relativist interpretation of the workings of the empirical sciences, and today Kuhn's ideas are being hotly debated in academic circles. It remains to be seen whether the subjectivist interpretation of the scientific method will in time become generally accepted as objectively (!) true.

While orthodox scientists debate whether or not a rigid scientific establishment shuts out all allegedly "heretical" views, their counterparts beyond the fringe entertain no doubts whatever that this is indeed so. How else can they explain the persistent refusal of most scientists to recognize the importance of such alleged phenomena as ESP, UFO's, and the Bigfoot Monster? UFO believers assert that it is because of a "laughter curtain" that UFO's have not been embraced by the scientific community, and not because of the lack of real evidence to support the claims made about the alleged phenomenon. Charles Fort, one of the founding fathers of modern pseudoscience, wrote of the supposedly real but inexplicable phenomena that science has "damned" into oblivion because it has no explanation for them, such as the supposedly numerous falls of cinders, ashes, slag, and coal from the sky, which suggested to Fort the existence of "oil or coal-burning aerial super-constructions" traveling through interplanetary space (*The Book of the Damned*, 1919; N.Y., 1972). (This was proposed in 1919; today's Forteans fashion their odd-ball hypotheses to be more in keeping with the times.) One finds throughout the pseudoscientific literature the endlessly repeated theme that it is principally the fear of new ideas that keeps bold, heretical new truths such as astrology and the Abominable Snowman forever on the outside.

MARKET FOR IDEAS

One cannot help but notice the parallel between this line of thought and the claim made by socialists that an oppressive, self-serving establishment supposedly possesses such a stranglehold on our economy that the "little guy" is forever kept on the outside. Those who are unhappy with its evaluation of their own endeavors allege that the market for scientific ideas, like the market for goods and services, is not functioning freely—a claim that absolves the unsuccessful producers and thinkers from responsibility for their own failures. In both cases there supposedly exists a powerful group dominating a market that is free in name only, always manipulating it to their own advantage: the preservation of the status quo.

Another factor common to the two cases is that both groups, the socialists and the pseudoscientists, are hostile to the idea of objective merit and objective truth. People supposedly obtain wealth, not by skillfully applying their talents to an enterprise that is in widespread demand, but because they have connections, pull off some shady deals, and get a few lucky breaks. A theory is said to be accepted by the scientific community, not because it fits the facts, but because it conforms to the prejudices of the age. Once the idea of objective merit and objective truth is abandoned, one is forced to resort to theories of sinister conspiracies and oppressive establishments in order to explain why one's own pet theory or product has not been faring well.

One of the most striking characteristics of the contemporary pseudoscientific movement is the astonishing tenacity with which its adherents cling to their belief in the paranormal. Even the acute embarrassment the believers suffer when a cornerstone of their credo is revealed to be a hoax fails to shake their faith, or even to deter them from making the same mistake again. When one unshakable pillar of their Pantheon noisily collapses, they quietly move over to the next one, without ever stopping to consider whether the entire edifice might not be just as weak.

Case: Dr. Joseph B. Rhine, founder of the Institute for Parapsychology in Durham, North Carolina, is the best-known and most widely respected of all the "scientific" researchers of ESP and related phenomena. He has been active in the field for over 40 years, and the research done at his institute, under his supervision, has for years been considered the most compelling scientific evidence for the reality of psychic phenomena. But in 1974 the Institute for Parapsychology was rocked by a cheating scandal. Its director, Walter J. Levy, was forced to resign after admitting that he had falsified experimental data to make it appear that rodents possess a paranormal ability to influence the radioactive decay of the nucleus of the Strontium atom (*Time*, August 26, 1974). This was as shocking to parapsychology as it would be to the world of finance if it were suddenly revealed that all the money deposited in Swiss banks had been squandered by the bankers on wine, women, and song. Yet the "scientific" parapsychologists blissfully continue to chase their will-o'-the-wisp in their laboratories, hardly pausing to notice

Coming Next Month:

Next month's REASON covers a variety of topics. Outspoken engineer Petr Beckmann takes a hard look at the Carter decision to abandon the breeder reactor and plutonium recycling. Libertarian psychiatrist Peter Breggin provides insight into the psychology of people's deference to authority—what he terms voluntary servitude. Gay rights activist Robert Sirico analyzes the hypocrisies present on *both* sides of the recent Anita Bryant/Miami controversy. In a similar vein, Anne Wortham returns with a challenge to Nathan Glazer, who suddenly can't quite stomach the affirmative action programs to which his 1960's egalitarian advocacy has led. And John Goodson and David Longinotti issue a challenge to the libertarian concept of human rights.

that some of their strongest "unexplained" evidence was obtained under the direction of a confessed hoaxer.

Case: The sensationalist tabloid *The National Enquirer* supports a blue-ribbon UFO panel made up of five Ph.D. scientists, headed by the famous Dr. J. Allen Hynek. Each year this panel selects what it considers to be the strongest UFO case reported during the preceding year. The very first selection made by the committee, out of more than a thousand UFO incidents reported, was an alleged UFO landing on a farm near Delphos, Kansas, and they awarded a $5,000 cash prize to the farmer and his family. This selection prompted UFO skeptic Philip J. Klass to travel to Kansas to interview the witnesses. He brought back tapes of the farmer spinning a number of tall tales for Klass's benefit and misrepresenting his photos of the supposed landing site. Subsequently the farmer's son, the principal UFO witness, claimed to have experienced other bizarre and improbable occurrences; he had given chase, he said, to the "Wolf Girl," who dashes across the moonlit fields on all fours, running "faster than anything human can run." (Klass, *UFO's Explained*, chap. 28) If a transparent hoax such as this is selected by recognized "experts" as the best UFO case out of more than a thousand incidents reported, one can only speculate as to how utterly unconvincing the lesser cases must have been. Yet the blue-ribbon panel continues to award its yearly prizes, and each of the five participating scientists remains firmly convinced of the validity of the UFO phenomenon.

Case: Stage magician James Randi, withholding his true identity, approached the editors of *Psychic News*, a leading journal of "serious" parapsychological research in London. Randi put on a clever show, bending spoons, stopping clocks, and displaying other currently fashionable "psychic" powers. Shortly afterward, he was elated to learn that he had succeeded beyond his expectations in fooling these experienced researchers. *Psychic News* went to press headlining the paranormal feats of the newly discovered American psychic. (Randi, *Magic of Uri Geller*, chaps. 3, 16) One can imagine the embarrassment they suffered when their psychic was quickly identified as a leading stage magician! Yet *Psychic News* continues its dabblings in ESP as if nothing had happened, its belief in the reality of at least some "paranormal" phenomena unshaken.

BEYOND SCIENCE

The above incidents clearly demonstrate the powerful need on the part of certain members of the intellectual and scientific community to believe in something "beyond science." Radical subjectivism permits such absurdities to *appear* reasonable. But how to account for the great energy and drive with which these pseudoscientific ideas are pursued?

Present-day intellectuals harbor a profound mistrust of the intellect. Reason itself is felt to be inadequate, even treacherous. Why is this the case? One must be careful not to oversimplify when attempting to answer such a profound and important question. Nevertheless, some apparently significant clues to the puzzle can be found in the writings of one of today's leading literary and philosophical advocates of the paranormal: Arthur Koestler.

Koestler is unquestionably one of the most creative and unconventional thinkers alive today. He has been many things throughout his eventful life: writer and philosopher, farmer, architectural assistant, newspaper editor, communist, war correspondent, and political prisoner. Captured by Franco's forces during the Spanish Civil War, Koestler was sentenced to death but was released due to the intervention of the British government.

Both socialists and pseudoscientists are hostile to the idea of objective merit and objective truth.

While in prison, Koestler underwent a profound change in his philosophy of life. He lost his faith in the Communist Party and went on to become an outspoken critic of the regimentation imposed upon the individual by communism.

In addition to communism, another consistent target of Koestler's devastating attacks has been the scientific method. Although some may object that Koestler has spoken out only against the excesses of dogmatic positivism and reductionism, the persistence of his attempts to downgrade Galileo, Newton, and Darwin and to legitimize the paranormal clearly indicate that Mr. Koestler is acutely uncomfortable in the presence of modern science. In subatomic physics he sees, not a triumph of bold experimentation brilliantly coupled with the most abstract mathematical logic, but a fairyland of nonmaterial particles whose behavior, so dissimilar from that of the objects of our everyday experience, seems to him to corroborate the bizarre theories of parapsychological researchers. In evolutionary biology, Koestler is not at all convinced that the Lamarckian hypothesis about the heritability of acquired characteristics has in fact been refuted. In Koestler's interpretation of history, the achievements of Galileo and Newton in synthesizing astronomy, mathematics, and physics are disparaged as "The Parting of the Ways" because, after this time, science and primitive mystical intuition no longer acted in harmony. (See Koestler's *The Sleepwalkers* [N.Y., 1959], pt. 5, and for his views on parapsychology, *The Roots of Coincidence* [N.Y., 1972].)

Mr. Koestler feels that Western science and philosophy have seriously erred by not reserving a hallowed place for Hindu mystics and by failing to emphasize the metaphysically transcendent above and beyond the ego. He has expended great time and energy in an attempt to prove that science is unscientific and logic illogical, and he has done so with such brilliant resourcefulness and innovative research that one is tempted in one's weaker moments to follow his lead, off into the starry heavens.

What motivates Koestler's aversion to rigorous scientific thinking? Some significant clues are to be found in one of his earliest major novels, *Darkness at Noon* (N.Y., 1941), a fictionalized account of the brutal Soviet purges of the 1930's. The novel depicts the arrest and interrogation of Comrade Rubashov, a lifelong Communist who is suddenly accused of being in league with reactionary forces that are supposedly plotting to destroy the workers' paradise. During a series of lengthy interrogations by State prosecutors, Rubashov slowly discovers himself entrapped—and in the end condemned—by the same principles of Marxist logic upon which he had based his entire life's philosophy. Rubashov is revolted by the animal brutality that has engulfed the Motherland, he mourns the loss of the golden dream that burned so brightly at the time of the Revolution, but his most crushing burden is that he is unable to find any flaw in the cruel logic which demands that he—along with millions of others—be sacrificed in the supposed interest of the proletariat. His mind finds no escape from the dreadful conclusion that his heart so understandably refuses to accept.

What can one do in such a situation, except to reject reason itself? "We have replaced decency by reason," Koestler has Rubashov boldly proclaim, and just before his execution Rubashov attempts to formulate a new philosophy of life: "Perhaps it was not suitable for a man to think every thought to its logical conclusion" (pp. 175, 258). Here one sees most distinctly the motivation behind

Arthur Koestler's frenzied flight from reason. In view of the great critical acclaim that Koestler's writings have earned in contemporary intellectual circles, it appears that he is not the only one to embrace pseudoscience as a necessary escape from the unspeakable horrors to which science and reason—as he understands them—must necessarily lead.

REASON VS. FREEDOM?

To those who do not share the popular view of reason as leading directly into the abyss of Marxist socialism, the significance of the above analysis becomes at once apparent. The widespread hostility to reason and science, the irrational search for nonexistent phenomena, are rooted at least in part in the erroneous idea that if we adhere to reason too consistently we may well live out our lives in a totalitarian straightjacket. Reason is widely perceived as being vaguely antihuman, as somehow necessarily leading to the subjugation of the individual for the good of the State.

If it seems odd that this peculiar notion is so widespread among intellectuals, one need only look as far as the closest college campus to observe that some form of socialist collectivism is being presented as the loftiest of intellectual and moral ideals; the dictates of reason, they teach, require that the autonomy of the individual be sacrificed to the supposed needs of society. (Unfettered human beings, alas, almost never do what the wise and benevolent social planners would prefer.) Thus Koestler and many others complain that they have been cut in two. They sense their emotions and their intellect to be at cross-purposes, and they wrongly seek to ascribe the blame for this "parting of the ways" to an overemphasis of the role of the intellect. It never occurs to them that when one's philosophy is felt to be fractured, when one is unable to devise a consistent philosophy to encompass the whole of the observable universe, one should not ascribe this inconsistency to the universe itself.

Much of the present-day hostility to economic growth and technological progress is based upon hostility to science and reason. Such opinions are not limited to political liberals and to the ecological fanatics: conservatives such as William F. Buckley, Jr., lament the "hideousness of a science-centered age," and Solzhenitsyn warns the Soviet leaders against copying the West by implementing a high-technology, growth-oriented economic philosophy. By debunking the widespread myth that science leads inescapably to regimentation in the name of efficiency, a much healthier political climate can be created. Science and technology have led to enormous advances in the living standard of every country where they have been free to develop. Pulling out the philosophical underpinnings of the contemporary pseudoscientists and anti-scientific movements can do nothing but good.

MARXIST CULT

Furthermore, when pseudoscience in general is placed on the defensive, the powerful argument can be made that Marxist socialism is the very model of an ill-formed, jargon-ridden, pseudoscientific cult. One of the few surviving 19th-century crackpot "theories," Marxism was spawned in the heyday of theosophy, automatic writing, and spirit rappings. Its peculiar doctrinal practices consist, not of such relatively benign aberrations as receiving astral visions or speaking with angels, but of seizing railroad stations with automatic weapons and liquidating entire populations on the basis of imaginary incompatabilities of "class consciousness." The very idea of a tiny, doctrine-ridden ideological cult such as Lenin's Bolsheviks running a giant State would make an exceptionally good joke were it not so tragic; it is as absurd as if a group of militant vegetarians were to seize power during a moment of crisis, proclaim their universal love of life, and then proceed to gun down everyone who had ever eaten a hamburger.

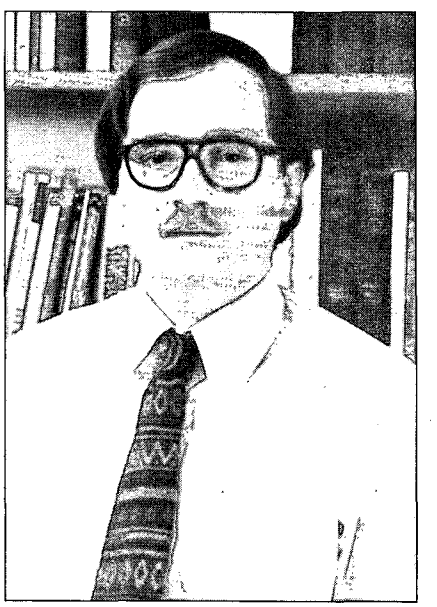
A serious scientific theory must be able to predict future events reliably, but the predictions of the 19th-century cult of Marxism have been a total bust. The progressive impoverishment of the working class, a series of wars between imperialist states for domination over colonial empires, worldwide proletarian revolutions beginning in the most industrialized countries such as England and Germany, the withering away of the State after the revolution—all are cornerstones of the Marxist credo, but as predictions they have been spectacularly unsuccessful. To continue to believe in a theory that has been totally discredited by subsequent events is as absurd as it would be to reaffirm Newton's law of gravity after watching a million apples, one by one, fall up.

What is one to make of Marxists' explicit rejection of reason in favor of the "dialectic," by means of which any position that the party currently favors can be "proved"? Even the most esoteric cult would be hard put to invent any doctrines wackier than these, and it is only our familiarity with these silly ideas, due to their widespread acceptance in polite society, that prevents us from seeing them for what they really are. When Marxism can be seen in intellectual circles in its proper perspective, alongside spiritualism, theosophy, and other popular mid-19th-century mystically oriented cults, then it will no longer be the free market that will stand in need of defending.

ON THE OFFENSIVE

To think, or not to think—*that* is the real question. Some people, unwilling to tolerate a contradiction in their basic philosophy, will pursue the truth as best they can. Heaven knows it may be a difficult task, but with sufficient intellectual persistence, backed up by the willingness to do a lot of work and to make some difficult decisions, any contradiction can eventually be resolved.

Other people, however, seeking an easier path, are unwilling to make the powerful commitment to reason that the harsh mistress of objective reality requires. They take refuge in a universe of "alternate realities" or carry out their discourses in a "dialectic," so that they may avoid having to examine their cherished illusions in the revealing light of objectivity. In recent years the various pseudoscientific groups have posted some significant advances, but largely because they have encountered only token resistance from the other side. Advocates of consistency cannot afford to be hesitant and demoralized. Before it is too late the forces of reason must take the offensive. ◻



Robert Sheaffer is a computer programmer/analyst and free-lance science writer. He is a graduate of Northwestern University in mathematics and astronomy, and has written for *Spaceflight, Astronomy, Official UFO*, and other publications.

The College That Told Uncle Sam Where To Go

by Jim Davidson

George Roche III, president of Hillsdale College, received a unique letter from Washington some months ago. It was from an official of HEW who congratulated Hillsdale for its exemplary record in ending discrimination on the basis of sex. The letter cited the school's history as a pioneer in equal opportunity. Yes, indeed, the first woman who ever received a bachelor's degree in Michigan had received it at Hillsdale. And yes, the school had remained a leader in affirmative action ever since. With this background neatly established, the official ordered Dr. Roche to submit the college immediately to Federal regulation *in order to "end discrimination by reason of sex"* Hillsdale College was no longer to be independent of the Federal government.

If that doesn't make much sense to you, then you know how the people at Hillsdale feel. It makes even less sense to them.

They have been running their small, liberal arts college without the benefit of any help from the government precisely because they did not *want* the secretary of HEW to end up as the dean of academic affairs. They paid a price for their independence, passing up millions of dollars in subsidies. But they thought it was worth it.

FEDERAL $$$

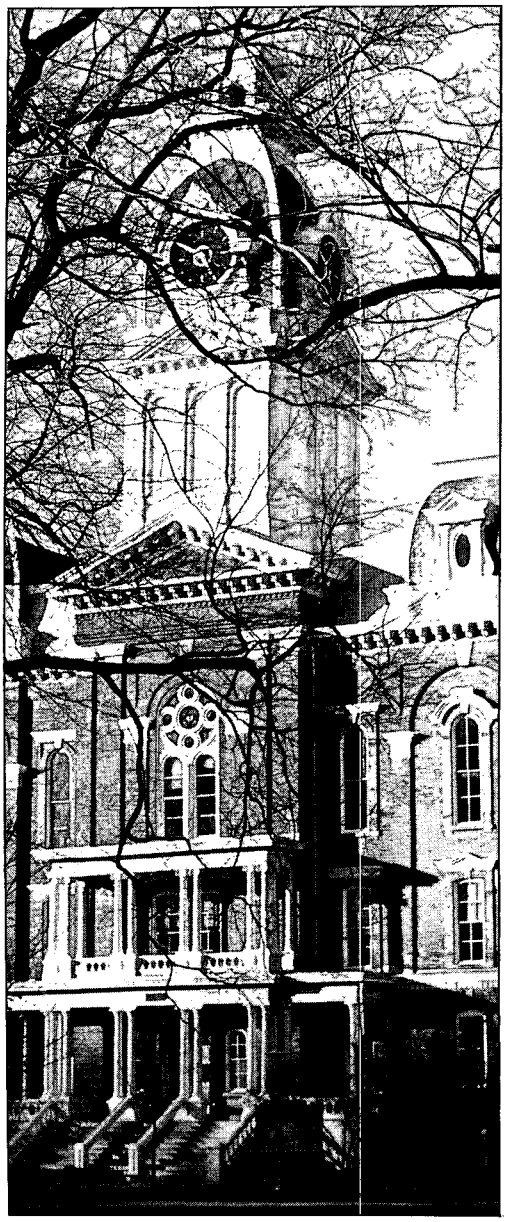
Now the Feds have decided that even though Hillsdale doesn't receive any government money in the ordinary sense, it ought to be subject to HEW regulation anyway. The government has simply crafted a new definition of what it means to accept Federal subsidies. They now claim that any college with *students who accept Federal money* is a "recipient institution" subject to their control. In effect, the Feds are marking the currency, and if any with their "X" shows up in the college's cash drawer, they claim that that is enough to give them control over the college.

Hillsdale's immediate difficulties with Washington involve the implementation of Title 9 of the 1972 Education Act. This act imposes quotas supposedly to eliminate sex discrimination. In drawing up the regulations to implement Title 9, HEW officials staked out for the first time their claim to regulate all schools whose students receive Federal funds. Since Hillsdale has students drawing Federal aid, HEW began indundating the school with instructions for "compliance" with government sex quotas.

Among other things, Hillsdale would have been required to institute an elaborate and expensive computer system to provide the bureaucrats with reams of read-outs on every conceivable aspect of the college's operation. For some colleges, the government has required more than 70,000 separate statistical calculations to achieve "compliance" with a single edict.

Hillsdale officials considered their situation—and decided to resist. Rather than filing the required documents, they issued a document of their own, a "resolution of noncompliance." In effect, they told the Feds to "shove it." But they did it in exactly the way you would expect from small-town Americans. They wheeled out the Declaration of Independence and the Bill of Rights to show that HEW's regulations exceed proper governmental authority and violate inalienable freedoms. Besides which, in the Hillsdale view, they are just plain "immoral." That being the case, the Hillsdale trustees concluded their resolution of noncompliance by vowing to resist the government by "all legal means."

Thus, the contest between Hillsdale College and Big Government. It doesn't look good for Hillsdale. Indeed, it never looks good for anyone opposing Big Government. But this is especially so



Little Hillsdale College has taken on HEW — and may just come out on top.

when the contestant is a small institution with an annual budget of only about $15 million. Being that small, Hillsdale can barely afford the legal fees to fight the Feds in court. The government almost has the power to put the school into bankruptcy simply by dragging it into a big and expensive legal battle.

And if that doesn't finish them off, there are all sorts of other dirty tricks the government can pull. The IRS might crack down upon the college's donors and trustees. Or the Occupational Health and Safety Administration could make the college install seat belts on all the professors' chairs. Or the Environmental Protection Agency could make the college add a solid waste converter to the furnace in its heating plant.

Big Government, because it is *big*, has lots of ways to screw tiny Hillsdale. But the way the college fears most is what the Feds are most likely to try. They may withdraw Hillsdale's accreditation for veterans and other students who qualify for direct Federal assistance. In other words, the government may prohibit any students over whom it has financial control from attending Hillsdale. That would knock out about 10 percent of the current student body and place a severe crimp on future admissions.

PEDANTIC REGULATION

The Feds have power on their side, so it is probably only a matter of time until they squash Hillsdale. Meanwhile, the college is not ready to yield, so the controversy is at an impasse. College officials have adopted a wait-and-see attitude, punctuated by an occasional letter to Washington reiterating their position. "Since Hillsdale has achieved ...equal opportunity for all while pursuing a policy of complete independence from political funding, the trustees of the college are puzzled by HEW's insistence that our school is now subject to Federal control."

Of course, they really aren't puzzled.

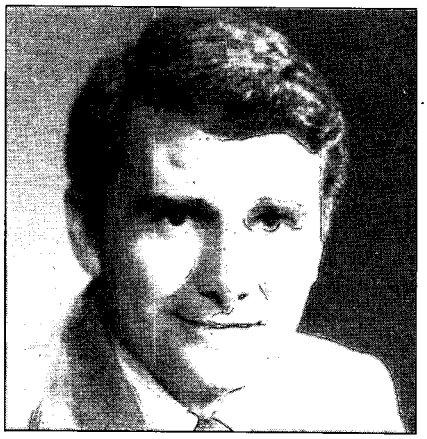
Hillsdale President George Roche, along with many other educators, sees the move against Hillsdale as just another step in a continuous process by which the Feds have been taking over higher education.

If you have not been closely following these developments, you might wonder what all the fuss is about. Why is Federal regulation of colleges such a dreaded prospect? To understand, visit your local Post Office. There, posted somewhere on the wall, is a copy of Executive Order 11478, as amended by Executive Order 11590, as further amended by Public Law 92-261, as further amended by Public Law 93-259. You do not need to read it all to understand. It is enough to note that this is the *eleven thousandth* in a series of edicts, three times amended.

This proliferation of rules gives modern dimension to the attitude articulated by French Premier George Clemenceau in a famous wisecrack after the First World War. Commenting on Woodrow Wilson's 14 Points, which were to have assured permanent peace in Europe, Clemenceau quipped, "That man Wilson has fourteen points when God Almighty had only ten."

Today, college presidents are not counting the number of points in the regulations they must follow. They would be almost beyond enumeration. The relevant measure would now be the *volume* or *weight* of "myriad, pedantic and sometimes contradictory requirements imposed by government regulations."

If that description of what government is doing for higher education seems



George Roche III, President of Hillsdale College

tinged with anti-Washington sentiment, it is all the more remarkable because it is quoted from a joint statement issued by the presidents of the four major universities in the nation's capital: American, Catholic, George Washington, and Georgetown. These four worthies have found that being HEW's close neighbors has not helped them live any more comfortably with its regulatory excesses. To the contrary, being only a cab ride away from HEW has given them an intimate glimpse of the government in action. And they are alarmed. They see an attempt to impose "conformity" upon higher education to an extent that threatens to destroy the liberal arts tradition. As they put it, without "a vigorous exercise of independence the American system of higher education as we have known it for centuries will certainly collapse."

From Ottumwa Heights College to Harvard, our institutions of higher learning are being transformed into veritable post offices with ivy. Some don't even have the ivy. But whatever their appearances, they are taking on the character of government installations as their academic diversity is regulated away. Soon, most will be little better than different outposts of one Big Government University.

LIBERALISM AT HILLSDALE

This is what Hillsdale College is attempting to resist. For one thing, the Hillsdale people don't like bigness in any form. They could have become a bigger college, but the trustees said "No." They decided long ago that 1,000 students was plenty. And the trustees also had a very distinct idea of what they wanted the students to be taught. Their idea does not correspond with notions popular in the Department of Health, Education, and Welfare in Washington.

President Roche vows that he will not adopt the type of education favored by the government, an education that he says is fit only for "turning out technically proficient automatons ideally suited to running the system without questioning its values." Roche says that Hillsdale is not attempting to fit its graduates into "jobs" but to develop their individual independence and give them a deeper and richer understanding of philosophic values. What Hillsdale is defending is the old-fashioned liberal arts education.

That may be why the college is widely perceived to be "conservative," a characterization that college officials hesitate to accept. A more accurate description would be "anachronistic." Hillsdale does seem to belong to America as it was 50 years ago. Not only does the school offer an old-fashioned liberal education, where the president actually teaches, it also gives an education in old-fashioned liberalism. President Roche and his trustees have worked to see that Hillsdale's history, political science, and economics departments emphasize the importance of free markets and voluntarism in human society. They don't think that the advent of interventionist economics and the growth of political power have really changed anything. As far as they are concerned, the "eternal verities" are still the "eternal verities," and students need to learn them.

In short, if you would like to have gone to college 50 years ago, it is not too late—you could still go to Hillsdale. Hillsdale offers an old-time academic philosophy. Which is not to say that campus life is dull. As one former official described it, the campus seems to have kept abreast of the trends toward greater student freedom as well as any in the

Midwest. "Hillsdale," as he put it, "is not a Bob Jones University without Protestantism." Students are left free to indulge in the life styles and amusements they choose.

What will happen to the school after the Feds get through with it is anyone's guess. Government control, as our distinguished Congressfolk have demonstrated, is not necessarily incompatible with contemporary "extra-curricular" activities. But it may be incompatible with the college's serious purpose of remaining an outpost for preserving the values of a pluralistic, free society. In particular, the government has often been less than accommodating toward the sort of academicians who have tended to collect at Hillsdale—those who doubt the value of what government is doing.

These scholars, among them, Dr. Roche himself, have argued for the lost virtues of American life: self-reliance, initiative, hard work, and, most of all, independence. To them, government is not primarily an instrument of social good but simply "brute force with a badge." They see the process by which the Feds are attacking them as so much more evidence buttressing their suppositions. After all, they are being threatened for failing to meet the "afirmative action" quotas that the government itself admits they may have reached on their own.

President Roche has strong words for the government's actions. The insistence upon mandatory quotas "is far from a new idea. It is not the wave of the future; it is the putrid backwash of all the tired social engineering schemes of centuries."

EDUCATORS UNITE

It could be just another case of those "damned pointy-heads" grasping for power. But it isn't. The very intellectuals who George Wallace thought animate government regulatory actions are themselves being strangled in red tape.

Suddenly, one of the old concepts still taught at Hillsdale College, that of power run amok, is taking on a new respectability. The endless complaints from farmers and businessmen that regulation is stultifying are beginning to be echoed by educators now that they are experiencing the same degree of control. As Harvard President Derek Bok has said, "When educators grumble about excessive regulation or criticize the costs of complying with Federal law, their complaints must seem familiar to every businessman who has experienced the travails of government intervention."

Soon, most colleges will be little better than different outposts of one Big Government University.

Higher education, no less than the other aspects of life, is being weakened by inflation and the tax policies of the government. And, of course, the educators are almost powerless to do anything about it. The most they can do is what tiny Hillsdale has done—refuse the government money and tell the bureaucrats to stick the regulations in their ear.

Thus the lines are drawn. HEW is plodding ahead because, as spokesperson Gwen Gregory says, "We're enforcing the law." Hillsdale is resisting—not because the "law" bans discrimination, which the college is against anyway—but simply because the folks there don't like righteous bullying. "It's not that we don't agree with the guidelines," points out Lamar Fowler, Hillsdale treasurer. "We comply with most already. It's that we don't like to be told what to do."

The outcome of the battle may determine the degree of independence that higher education will retain in the future. And as George Roche sees it, the battle signifies even more. His small, anachronistic college is holding out against the march of bigness—giantism, he calls it—that is depersonalizing and demoralizing society. When he is not teaching, he fights it in other ways—by being personable. He sits unpretentiously in his small office, answering his own phone, counseling those who will listen with the lessons of his old-fashioned humanism. The big problem with the modern world, he says, is that we yield too easily. We think that power means everything and justice nothing. Perhaps, he muses, Hillsdale's example will help us all to end "our acquiesence in a system which makes so little of individuals."

Whatever else can be said of George Roche III, the man is an educator. ◻

Helping Hillsdale's Battle

Last fall Hillsdale College launched the Hillsdale Freedom Fund, an attempt to raise $29 million to support scholarships ($14.7 million), faculty chairs, the Center for Constructive Alternatives, the Learning Resources Center, and ongoing operating expenses. The fund was initiated "in order to preserve the independence and autonomy of Hillsdale College in the face of what it views as increasing government intervention in the private sector." As of April 30, $7.5 million had been raised.

In Washington, meanwhile, Sen. Jesse Helms has introduced the Academic Freedom Act of 1977 to protect colleges from oppressive Federal regulation. If enacted the bill would:

—restrict Federal regulations to those programs and activities of a college which directly receive Federal assistance, rather than to the college as a whole;

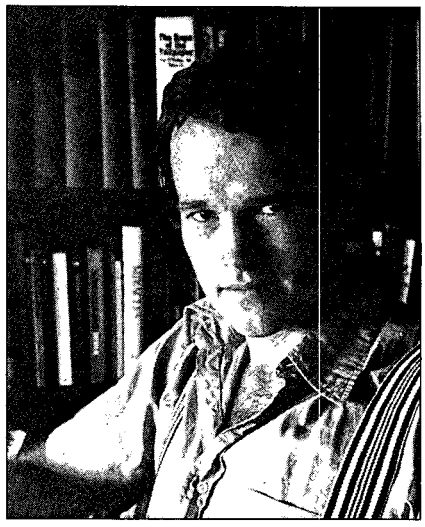
—restrict the power of an agency to terminate assistance to a program which does not comply with Federal rules to that program alone;

—define scholarships, loans and other assistance provided directly to students as not constituting aid to the college itself;

—require that Federal agencies file an education impact statement on each new rule affecting universities which would assess the cost of compliance with the new rule;

—create an exception from many Federal regulations for colleges in which Federal assistance constitutes five percent or less of its current annual funds budget;

—enlarge existing legal prohibitions against Federal control over curriculum, administration and personnel to cover recent bureaucratic rulings.



Jim Davidson founded the National Taxpayers Union in 1969 and serves as its director. He has contributed widely to national publications and will soon be taking up doctoral studies in political philosophy at Oxford.

Draft Journalists

viewpoint

Alan Reynolds

On January 26, a lead editorial in *The New York Times* suggested that the volunteer army had failed. The editorial refers to "the Pentagon's acknowledgment, in transition papers for the new Administration, of serious trouble in recruiting volunteers." Actually, that obscure six-inch stack of Pentagon Papers doesn't support the editorial's position.

It must first be conceded that it is indeed both cheaper and easier to shanghai sailors than to hire them, and there are doubtless plenty of well-paid officers and bureaucrats in the military who would favor such a policy. But neither the *Times* editorial nor the transition papers make any *other* case for conscription.

The only substantive points in the editorial are that the armed forces fell 19,000 below planned levels in October, and that the Army is supposedly asking for another $60 million in recruiting funds. It should be obvious that 19,000 is not a particularly awesome share of an active force level of 2.1 million, and that $60 million is not a very stiff price to pay to avoid selective servitude.

The *Times* complains that manpower costs "eat up 56 percent of the defense budget," compared with 42 percent in 1964. But the 1978 Budget (page 83) shows that manpower costs were 47.3 percent of the defense budget in 1964, and are estimated at 58.1 percent in 1977. Moreover, military pay and related outlays accounted for only one percentage point of that 11 percent rise. The big growth in military manpower costs has not been in total military pay (up 113 percent since 1964), but in civilian pay (up 145 percent) and military pensions (up 583 percent). Some of the increase in pensions and civilian pay could conceivably have been indirectly related to the abolition of the draft, through substitution of civilian for military personnel or substitution of future pensions for present pay, but the trend of soaring civilian and pension costs was evident long before the draft was abolished.

The *Times* is worried that our soldiers are getting too rich: "An E-2 enlisted man, the second lowest grade, now gets $7,300 a year." Actually, that figure, which includes food and housing allowances, isn't a whole lot of money for such a risky job (e.g., compare it with police salaries). It is less than the 1975 poverty income for a family of six, and some 38,000 of these supposedly overpaid army service personnel are currently receiving food stamps. Civilian employees in the Navy average $14,485, and even the liberals' beloved "public service jobs" pay $7,700.

The Pentagon's transition papers figure that lowering the bottom three pay grades to the $2.30 minimum wage, and figuring food and housing as part of that wage, would have saved $1.7 billion. But Congressional Budget Office officials testified that returning to a draft would save a mere $500 million a year (the Feds probably misplace more than that in a week or two). Lowering wages in Health, Education and Welfare to $2.30 would surely save much more. Or maybe we could draft Congressmen and save a fortune.

The *Times* claims that "the quality of Army recruits keeps slipping." Yet the only apparent evidence provided is that "the proportion of blacks in the Army has risen by half since 1971 to 21.9 percent." One can imagine what sort of editorial the *Times* would write if the head of a large corporation implied that the quality of its labor force was slipping because there were "too many" blacks. It is easy to forget that the Navy accepted no blacks at all from World War I until 1932, when it began accepting them only for kitchen jobs. The Army had only two black combat officers in 1940, and there were no blacks at all in the Marine Corps during World War II. Now, blacks in the Army account for 14.8 percent of the top enlisted grade (up from 8.2 percent in fiscal 1972), and 5.3 percent of the officers. That is progress—not slippage.

One Pentagon transition paper, the supposed source for the remark about slipping quality, says: "The transition to our all-volunteer force has been a dynamic process with the military achieving their objective in terms of quality and quantity, thereby sustaining a strong volunteer peacetime force." Another paper says "the Army made considerable quality gains." In terms of mental test scores, there was a larger proportion in the lowest category (IV) under the last draft than under the volunteer army. The percentage of military recruits who are high school graduates rose from 58 percent in fiscal 1974 to 65 percent in 1976, and the future objective is 68-90 percent depending on the branch. That is pretty strict, since 42 percent of those unemployed in 1976 had less than a high school education, and the unemployment rate among young high school dropouts is double that of graduates.

This is not to say that the transition papers do not complain of recruiting problems. The Marine memo notes that "reductions in recruit advertising (down $4.5 million), recruiting support (down $800,000) and recruiting personnel (down by 255 people) were directed by Congress in Fiscal Year 1977." The Army paper observed "a reduction of over $50 million and some 800 people in Fiscal Year 1976 and the transition quarter recruiting resources." The volunteer army hasn't failed, it has been sabotaged.

Reenlistment efforts have also been weak. The services plan to enlist 400,000-430,000 a year to sustain a force level of 2.1 million—a very high turnover rate. First term attrition has risen from 25 to 37 percent in the last four years. If we continue to push experienced servicemen out the door with "marginal performer" discharges (estimated at 40,000 per year for 1977-82) and with pensions that look better than salaries, it will indeed require a large recruiting effort to replace them.

The *Times* editorial ends up endorsing an extremely costly "form of universal service, civilian and military, without exemptions. In theory, this could seek to reduce teenage unemployment." Yes, and putting the kids in jail would also

take them out of the civilian labor force. If unemployed teenagers would rather be in the army, they can enlist. If taxpayers really want to hire more unemployed teenagers, they are free to drop the educational barriers that keep most unemployed teens out of the armed services. None of this requires mandatory work at low pay, which is what the flowery phrase of "universal service" really means.

One of the Pentagon's transition papers predicted that "recruiting prospects for Fiscal Year 1977 are expected to become a media issue by March 1977." It was very obliging of the *New York Times* to help publicize this contrived issue a month before schedule.

Alan Reynolds is a vice president of the First National Bank of Chicago and editor of its *First Chicago World Report*. His Viewpoint appears in this column every third month.

foreign correspondent

Libertarianism in Italy

Nowadays in Italy the forces of civil and economic libertarianism are profoundly divided. In our country, political language, *praxis*, and theory are nearly always "heterosynthetic"; i.e., they are a synthesis of heterogeneous elements in reciprocal contradiction. Most of the time civil libertarianism is linked with economic authoritarianism while likewise economic libertarianism is linked with civil authoritarianism: incoherence is sovereign.

Up to now, the only political force which has uncompromisingly fought for civil liberties is the Radical Party. The libertarianism of the party, however, does not go beyond the sphere of civil rights. It is a radical libertarianism but not an all-embracing one, intensive but not extensive; it is a heterosynthetic libertarianism because it is tied to an attitude which is mainly a corporate-statist one; i.e., authoritarianism in the economic field.

This essential economic authoritarianism is concealed by the smoke-screen of so-called libertarian socialism. The Radical Party, confined within the sphere of civil rights, without an ideological background which could provide it with an overall vision of society, has to borrow from others its basis when it disgresses into economic problems. And this way it drowns in the muddy pool of sub-Marxism. It has come to a superficial anticapitalism under the pressure of a sort of inferiority complex towards the self-styled "proletarian" movements which have always accused the Radical Party of being a bourgeois movement.

Confronted by the colossal failure of the Eastern-type economic statism, the Radical Party proposes an alternative objection to the free-market economy. In other words, it proposes a third alternative which is neither "capitalist" nor "statist;" i.e., the so-called self-management. This would-be self-management, however, is not a third alternative because the founding of new firms must be financed by someone. If we want to eliminate the abhorred "private capitalist" there will have to be a capitalist state which provides the financing. Moreover, the use of the word self-management itself is a fraud; actually, this so-called self-management is nothing but management by a different group of outsiders; i.e., control by State-protected corporate oligarchies which, as opposed to free enterpreneurs, are not restrained by the profit-loss alternative.

In their defense of tradition, order, and discipline, the "capitalists" themselves are nearly always advocates of statism. Many "capitalists" are strenuous defenders of the so-called public morality and common-sense decency.

When civil and economic libertarianism are not divided but united, we have a watered-down form of libertarianism as exemplified by the superficial libertarianism of the Liberal Party and Republican Party. The libertarianism of these parties, as opposed to the Radical's, is distributed amongst various spheres but in very small doses.

The Italian Libertarian Movement (Movimento Libertario) was founded to bridge the gap between civil and economic liberties. It seeks to establish a homosynthetic libertarianism which is radical and omnilateral, intensive and extensive at one time; its goal is the reunification of libertarianism.

The new libertarians believe that the fight against State intervention must be fought at all levels. To the conservative formula "law and order," libertarians answer "order without law." They do not want a society based on bullying or on the freedom of the strong to overpower the weak. They believe, however, that to delegate the control to the external coercion of the State is the worst possible way to face the problem of power, since the State is always an uncontrollable controller. Libertarians believe that the only control is competition and not monopoly, expansion rather than restriction of opportunities.

Some of the aspects of the libertarian programme, with regard to civil rights, are the liberalization of hard and soft drugs and of prostitution in all forms (including brothels); the abolition of censorship, of the public order law, and of madhouses; the radical reform of the law codes; the liberation of women; and the defense of gay rights and all minorities.

Economywise the libertarians are in favour of an absolutely free market.

The floodtide of statism is nearly sweeping away the Italian economy—50 percent of industry is already in the hands of the State. The situation, however, is worse than it may seem; apart from obvious nationalizations there are in fact even clandestine nationalizations.

Even the truly private sector of industry, which, as I have mentioned, is a minority, depends mainly on financing from state banks (which in Italy have a credit monopoly). The state of affairs is such that the president of the Confindustria (industrials' confederation) himself, Guido Carli, has proposed that the state banks' credit towards firms be converted to shareholding-participations in those firms; i.e., that in Italy the de-facto nationalization of the private industry be ratified legally. This escalation of statism has thrown Italy into the most severe post-war economic crisis; boundless bureaucracy, which is installed in the 60,000 government agencies, devours a conspicuous part of the national income, destroys the profitability of firms, and throws them evermore into the hands of the State; this is the underdevelopment spiral.

In the disastrous outcome towards which statism is dragging the Italian economy, the libertarians see the confirmation of their laissez-faire option. They believe that the Italian economy could be healed through a radical libertarianization which implies a dismantling of the governmental section of the economy, the liquidation of the parasites of the bureaucrat-client complex entrenched in government agencies, and a drastic cut in the tax burden.

A peculiarity of the Italian Libertarian Movement is the emphasis it puts on the language problem. The libertarians think that the division between civil and economic liberties and the consequent anomalous combinations of libertarianism and authoritarianism are deeply rooted at linguistic levels.

Orwell once said that, "Political language is destined to give an appear-

ance of solidity to that which is only wind." The libertarians maintain that nowadays political language is already "Orwellian"; it already has that inversion potential which Orwell spoke about. The current political language tends to give an appearance of logic to what is illogic and an appearance of illogic to what is logic. In other words, it tends to connect that which is logically incoherent and to disconnect that which is logically coherent.

The most macroscopic cases of the "logicide" usage of current language are established by the words left, center, and right. Our criticism towards these words does not consist in pointing out the sense in which they are overgeneralizations. Generalizations are both legitimate and necessary to satisfy the need for synthesis. The fact is that these words are not simple syntheses but syntheses of a special kind, heterosynthesis. Each of them implies, in fact, a plurality of meanings amongst which there is not uniformity but antagonism so that their overall meaning is equivocal.

There is not uniformity but antagonism between the meanings of "civil libertarianism" (in other words, the protection of the individual against the state in the area of civil rights) and of economic statism which are both implicit in the word "left." There is likewise no uniformity but antagonism between the meanings of civil authoritarianism and economic libertarianism both implicit in the word "right." The words left and right, therefore, illogically connect statism in one way or the other to anti-statism.

Libertarianism (which cannot be classified in terms of left, center, and right and appears as a bizarre fusion of the extreme left and the extreme right) is seen in this light as something extremely contradictory. Therefore linguistic imperialists, those who avail themselves of heterosynthetic words as tools of domination, can easily single out libertarians in public as madmen.

As a matter of fact, however, the real contradiction is in the words, left, center, and right and not in the libertarians. For this reason they refuse to play with the tricked cards of the ruling vocabulary. The libertarians oppose the logicide violence of the "semiomafia killers" with verbal disobedience.

Riccardo LaConca

washington watch

Airline Regulatory Reform

One would think that backing from the Carter administration, Sens. Kennedy, Cannon, and Pearson, not to mention Common Cause and the Nader axis would insure passage of airline regulatory reform. Lord knows the measure is moderate enough, merely loosening up route change and entry requirements without touching the basic authority of the CAB. That's far short of what libertarians would like to see, but it's an essential beginning.

The problem is that some airlines and their unions have begun an aggressive letter-writing campaign among employees and friends. Fence-sitters in the Senate have been deluged with letters against reform while getting a trickle or less in favor. If the Ad Hoc Committee for Airline Regulatory Reform (a wild coalition including Common Cause, Public Citizen, Sears Roebuck, National Association of Counties, National Taxpayers Union, American Conservative Union and Libertarian Advocate) had not been formed it is likely that reform would have had no chance.

Letters supporting airline regulatory reform are still desparately needed. The bill in question is S. 689, the Commerce Committee version of the Cannon-Kennedy reform measure. Among Senators still reported to be wavering or fence-sitting are Goldwater (R-AZ), Melcher (D-MT), Zorinsky (D-NE), Stevenson (D-IL) and Durkin (D-NH). Please write to your Senators on this issue! It wouldn't hurt to let them know they're hearing from libertarians. (U.S. Senate, Washington, D.C. 20510).

Energy Decisions Soon

President Carter's overall energy program was introduced as H.R. 8631, and referred to five different committees, which were due to report and recommend to the House Ad Hoc Select Committee on Energy by July 13. The Ad Hoc Committee, under Thomas Ashley (D-OH) is then supposed to reassemble and reconcile the whole package.

Letters in opposition to the Carter proposals are thus especially important now. Pick your outrage: the "gas-guzzler" tax, the stand-by tax on gasoline, the emphasis on punishing consumption rather than encouraging production, the new layers of bureaucracy for a problem created by government, etc.

Ad Hoc Committee members who might be important include Chairman Ashley, Ranking Republican John Anderson (IL), Frank Holton (R-NY), Harley Staggers (D-WV), Joe Waggoner (D-LA), and Joseph Fisher (D-VA). And your own Congressman, of course.

Restitution Programs in Danger

Several states including Oklahoma, Minnesota, Georgia, and Virginia are experimenting with the concept of restitution for victims of crime, wherein the State serves to facilitate restitution by the criminal to the victim for damages involved in a crime. There have been bugs to be worked out, but the results have been largely favorable.

These experiments will be in grave danger if the House passes H.R. 7010, a bill which would establish a system of government (or taxpayer) compensation for victims of crime. Some states have tried this approach, and it has been much more expensive than restitution, with none of the advantages of personal responsibility, serving justice, and defining real crimes inherent in restitution. Compensation creates another victim (the taxpayer) and will bust the budget. But if the Feds offer the money, most states will probably convert.

A letter to your Congressman opposing H.R. 7010 would be helpful. If you want more information on the controversy, write National Taxpayers Union (325 Pennsylvania Ave., SE, Washington, DC 20003) or Libertarian Advocate (P.O. Box 3117, Falls Church, VA 22043) who are opposing the legislation. But please write your Congressman (U.S. House of Representatives, Washington, DC 20515).

Election "Reform" Proposals Endangered

When sponsors dropped the bill to loosen the Hatch Act (which limits active political participation of Federal employees) after an amendment was passed which prohibited use of public employee union dues for partisan political purposes, the whole Carter election "reform" package was dealt a setback. The

opposition to election-day registration stiffened up, and opposition to public (taxpayer) financing of Congressional political campaigns became even stronger.

The proposal to force taxpayers to finance Congressional campaigns seems most important to libertarians. H.R. 5157, the House version, would provide tax subsidies for both House and Senate candidates. The Senate version, S. 926, covers only Senate races, but provides subsidies for both primary and general elections. Letters in opposition to these schemes would be helpful.

Continued on p. 49.

spotlight

Naked Freedom

Behind the locked gate at 2401 Manor Road, an unusual experiment is unfolding. Residents of this apartment complex in Austin, Texas have their own ideas about city living. A sign reads: "Visitors, do not enter if offended by the liberated lifestyle inside; includes nudity, cavorting in the pool, various other consensual frolicking, etc."

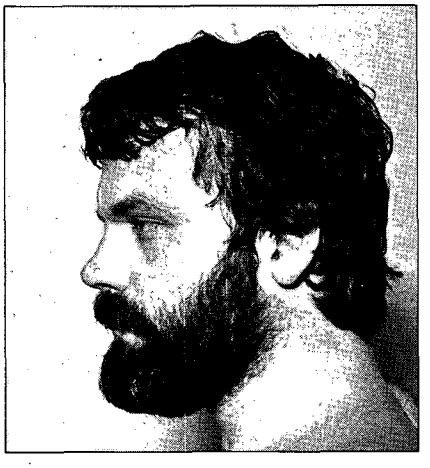
The dwelling has attracted considerable attention since its opening in March of this year. Established by a former Jehovah's Witness minister named Terry Parker, it is a pioneering effort to introduce "clothes optional"—i.e., nude—living on a large scale into otherwise normal rental units. The experiment is proving to be a resounding success, both financially and as a means of increasing awareness of libertarian ideas.

"Libertarians are always saying we can live without all these rules and regulations," says the outspoken, 32-year-old Parker. "I thought it was about time some of us did something to prove it." Last year, he persuaded the owners of a small 18-unit building to make him its manager. Six months after Parker introduced a no-clothes option, the once money-losing building was full at rents 10 percent higher than before.

The experience persuaded Parker to approach owners of the nearby, rundown 78-unit Manor Villa complex to repeat his plan. "Rather than trying to convince them to do this because it's the right thing to do or anything like that, I just told them I could double their profits," he recalls. The complex, formerly a haven for derelicts and small-time criminals, is now one of the most sought-after apartment buildings in Austin.

In a recent article, the *New York Times* termed Manor Villa an "urban renewal miracle." Parker sees its renovation as testimony of the ability of the private sector to breathe life back into buildings in a decaying area. The gates and guards not only assure privacy to the tenants within, but deter criminals from entering while the tenants lounge around the swimming pool in the central courtyard.

The tranquil relations inside the complex arise in large part from Parker's insistence on a live-and-let-live spirit from tenants. Although the renters range from "hippies to redneck" in outlook, and include businessmen, students, and topless dancers seeking all-round tans, they display a strong respect for each other's rights. Parker requests that tenants sign an agreement that forbids harassment and the use of force, calling it a "physical aggression treaty."



Terry Parker

Rental agreements also give tenants the right to evict those who aggress against others, and to chastise those who invade privacy. "If somebody is bothered by a person, or if he thinks that person is not suitable, or if he thinks a person did not show proper discernment in the guests he invited, they can call a meeting," says Parker. As a result, tenants take pains to be good neighbors and few nuisances arise.

Despite the national publicity given to Parker's project, and the reputation of Texas for quashing victimless crimes, Manor Villa has had few problems with the authorities. State law permits nudity in privately owned dwellings, so long as the neighbors can't see and the premises are fenced off. Austin police even went so far as to offer security hints for the apartment units. "They used to get so many crime calls from this place that they're glad we're coming in," remarks Parker, noting that stabbings and a murder had occurred in Villa Manor. "It's one less place for them to watch."

Parker has used his new-found publicity, however, to joust with the authorities when he feels they trespass upon civil liberties. He was instrumental in founding a group called the "Sexual Offenders Club," which drew attention to a local ordinance prohibiting sexual relations between any unmarried people. "We are opposing the whole idea of government sticking their noses into conduct they have no business in," he told members of the press in March. Noting that many if not most city residents had violated the law, he added, "Our first order of business will be to obtain the Municipal Auditorium as a club house, until larger facilities can be found."

In response to a drive by a local minister to shut down massage parlors, Parker recently helped organized a vocal counterforce. The group met in February to discuss strategy, and decided to launch a petition drive primarily among Austin's large student population. Hundreds of signatures were collected for submission to the city council on a petition protesting the massage parlor ordinance, and the effort drew active participation by Madalyn Murray O'Hair, a prominent atheist and civil libertarian.

Ironically, Parker considered himself to be a man of God until relatively recently. "I know firsthand about authoritarian lifestyles," he says. For several years, Parker served as a minister for the Jehovah's Witnesses; the experience made him a self described "expert in hot air." A subsequent stint as a business executive in New York left him feeling restless—and increasingly libertarian. After suffering an almost fatal automobile accident, he resolved to make a change. The accident "just made me that much more serious about doing something before I leave the world a second time," he says.

His past two years in Austin show that Parker has already made an impact. In

the future, he expects to be heard from even more. Owners of rental properties as far away as San Francisco have asked him in recent months to serve as consultant on similar "clothing optional" conversions. "If we can scale this up on bigger and bigger levels and eventually get into the level of subdivisions and small communitites, and if this is repeated in a lot of different places all over the country," he says, "then people will be living in an environment where they experience liberty, not just talk about it." ◻

Readers are invited to nominate persons to appear in this column. Send details to Spotlight, REASON, Box 40105, Santa Barbara, CA 93103.

books

The Third Industrial Revolution

By G. Harry Stine.
New York: G.P. Putnam's Sons, 1975.
192 pp. $7.95.

Reviewed by Robert W. Prehoda

Today there exists an ominous silence about a remarkable book that could —given proper media attention and publicity by its publisher—become one of the four or five most influential books of the 20th century. G. Harry Stine has outlined, in text that can be understood by the lay reader, an elaborate step-by-step program explaining how the major problems now confronting civilization (except for the population explosion and related food shortages) can be solved or greatly ameliorated by foreseeable developments in the practical exploitation of our solar system and the unique characteristics of the space environment.

More than 25 years of practical experience in rocketry and the space program make Stine eminently well qualified to write such a book. Why, then, is it being ignored? Could it be that Stine writes from an uncompromising libertarian perspective? Throughout the book he expresses his conviction that capitalistic private enterprise offers the best avenue to the cornucopia of benefits promised by space industrialization. And not only does he predict the emergence of future "space moguls" who will become billionaires by taking advantage of space industrialization options, but he commits the ultimate sin of suggesting that Brazil, Iran, and the Republic of South Africa have the entrepreneurial drive and other "characteristics needed for a capital-intensive expansion such as space industry."

Since most "establishment" book reviewers dislike price-competitive capitalism, Stine's *The Third Industrial Revolution* presented them with two options: they could write negative, critical reviews or engage in a tacit conspiracy of silence. They chose the latter strategy, and unless others speak out or goad the reviewers to do so, a book that might alter favorably the course of future history will be aborted.

The First Industrial Revolution transcended the limitations of human and animal muscle power, making it possible for a significant segment of the population to have leisure—and therefore real freedom. The Second Industrial Revolution began around 1910 and is not yet complete. Characterized by automatic controls, automation, and other electronic systems that transcend the limitations of our brains, it makes possible an exceedingly complex industrial society producing sophisticated products at a low cost—a high standard of living for the masses who are also freed from mental drudgery.

The Third Industrial Revolution (3rd IR) is a term coined by Stine to explain how we can transcend most, but not all, of the limitations of a finite planet. Unlike the doomsday forecasters, he does not view the earth as a closed system. The basic concepts of space factories and extraterrestrial resource exploitation have been featured in stories by at least two generations of science fiction writers. What Stine has done is to present an elaborately structured rationale showing how the 3rd IR might evolve through successive stages, first meeting relatively modest requirements in orbital space stations (which will evolve into space factories). This initial industrial foothold in space would serve as a nucleus around which more advanced capabilities would then evolve—mining and industrial sites on the lunar surface to be followed by space bases in the asteroid belt, which contains vast quantities of the metals vital to advanced technology.

Stine describes many miraculous things possible in space, possibilities we have only recently become aware of. The space environment offers unique options for industrialization: unlimited solar energy, temperatures ranging from near absolute zero to a heat that can melt any material, vacuum at zero cost, and, most important of all, zero gravity, which will permit the production of superstrong materials and other products that can only be made in a weightless environment. Better vaccines, microcomputers, and other finished items could be landed at any point on earth with cheap reentry systems, eliminating surface transportation costs.

As space manufacturing grows, raw materials from the moon will soon be the preferred source of supply. Mining operations with an unacceptable level of land destruction and harmful waste output for our biosphere would be acceptable on the moon. Nuclear explosives could shatter ore deposits without harming any form of life.

In the more distant future, our prime source of raw materials may be the asteroid belt between the orbits of Mars and Jupiter. Some of these small planetoids are made of pure metal, presenting very-low-energy processing requirements. Stine's analysis of foreseeable space transportation systems indicates that the cost of returning large amounts of refined metals or finished products from deep space to the surface of our planet may be quite reasonable.

This book explains how we may continue to enjoy the benefits of the first two industrial revolutions by escaping from their unpleasant side effects —pollution, land destruction, and the disruption of our biosphere. Stine emphasizes, however, that his 3rd IR is not a total panacea: "The Third Industrial revolution solves only one problem of the future and leaves us free to tackle some of the others.... The public health official and the sewage engineer so completely upset the previous ecological human balance—quite unintentionally and with the highest of all motives—that we may not recover from it as a species before we starve ourselves to the natural population level that Planet Earth can support. Malthus may yet be right, but we still have the opportunity to prove him wrong through education."

In particular, the 3rd IR concept *must* not be confused with the ludicrous proposals of Princeton's Gerard K. O'Neill that global population problems can be solved by sending billions of

people to artificial space colonies within the next 100 years. Stine believes that during the next century—the only time period we can consider as a valid forecast—agriculture on a large scale will be an industry that can only exist on earth.

Stine's book is oriented toward the corporate executive and capitalists rather than toward the scientists because he believes that the best way to accelerate the benefits promised by the 3rd IR is to convince decision makers in the private sector to invest the huge amounts of money required for its realization. But Stine's message is not reaching these businessmen because the regular media channels have not made them aware of its existence. Others will begin the fight for future freedoms that would be allowed by the 3rd IR.

You can join this important fight. Buy this book, read it, and then give it to a relative or mature friend who occupies some position—in the business community, the media, a university, etc. —where he or she, in turn, can further spread Stine's bold message of technological enlightenment. Write a review of Stine's book for your college newspaper or company magazine.

It is the proselytizing skills of the Marxists that have allowed them to take over half of the world in only 60 years. They will not become an extinct historical species until those who value individualism and freedom learn to proselytize with equal vigor and determination. As many people as possible must be informed about the existence of Stine's new book. For it is highly likely that only the timely realization of the 3rd IR will permit a libertarian society to remain a viable option in the future —*your future.*

On this last point it would seem that Stine goes astray. He believes that when "it's steam engine time, they will be built." But there were several historic periods when past civilizations almost reached the take-off point for the development of a technological society based on science, only to falter and go into patterns of decline and retrogression that are difficult to explain. This happened to the ancient Greeks around 200 B.C. and was repeated in China and the Islamic world between 800 A.D. and 1450 A.D.

Just because we now have the technology to begin the 3rd IR does not insure that it will come to pass. Antiscientism is rampant. Taxes required to support social programs may rise to the point where individuals and private organizations will have insufficient funds to make the new entrepreneurial efforts required.

The fundamental achievement of the 3rd IR, as Stine defines it, will be to transform Spaceship Earth "into a *garden planet,* a new Eden," in which all species of terrestrial life can survive without danger of extinction. This grand vision is shared by Senator Barry Goldwater, who wrote an enthusiastic introduction to the book. Goldwater concluded that Stine's 3rd IR concept "reflects a happy combination of hope and optimism, which are vital ingredients of America's greatness, and it will provide a real challenge to the gloom and doom crowd." Perhaps the real challenge will be for innovative freedom-lovers to find some way to circumvent the silence about the book and bring this "alternate future" to the attention of those who can transform the 3rd IR blueprint into the reality of tomorrow. ☐

Robert Prehoda is a consultant in the aerospace and medical fields. He is the author of a number of books on the future and futurology.

The Joyless Economy

By Tibor Scitovsky.
New York: Oxford University Press. 1976. 310 pp. $11.95.

Reviewed by Marty Zupan

Did you know that Americans take far fewer vacations than the people of every European country except Portugal? that the anecdotes whereby Americans are indifferent to the quality of food are borne out by various statistical measures? that we buy fewer flowers, move more often, throw out more garbage, hire more interior decorators, frequent fewer cultural events, spend 50 percent more free time alone, and look down on housekeeping far more than our European counterparts?

So what? Well, it, and more, all goes to show that Americans are poor consumers, says Professor Scitovsky. We are unskilled at it and take little—far too little—joy in consuming. We are haunted by the ghost of a Puritan ethic, which regarded production as worthy of great effort, consumption as warranting only the minimal attention necessary to keep one fit for producing.

The idea that Americans, of all people, are not oriented toward consumption is jarring to common beliefs. For what about our notorious penchant for *buying*—gadgets, the newest-model cars, televisions, the whole array of products made affordable by mass production? While there's nothing inherently inferior about these, says Scitovsky, they fulfill insufficiently a fundamental human need for stimulation, enjoying novelty. So his thesis is also jarring in that it goes against the presumptions of economics. The received wisdom in that field is that consumers, by definition, maximize their satisfaction, fulfill their needs optimally given their information, income, and so on. No need to probe into consumers' motivations. People have needs that they are driven to satisfy; add the assumption of rational man, and voilá, we have a framework of analysis. The consumer knows best what is good for him, and he reveals his preferences in the marketplace. So, we can turn to the other side of the coin and study how it is that the market delivers what consumers want/need.

But hold on, says Scitovsky. It's not at all scientific to conjure up this picture of the consumer from postulation. And how do we know that consumption and production are in fact in their traditional harmony if we don't know more about the consumer side of the story? It is to fill in that story that he has turned elsewhere—to psychology.

In the preliminary chapters of *The Joyless Economy,* Scitovsky surveys what is known about human motivation in psychology, giving examples of the experimental evidence available. Unfortunately, this part of the book is not as interesting as it could be. At any rate, things turn out not to be so simple as either the economists or earlier psychologists have thought.

The framework was that organisms act, propelled by drives, to remove disturbances to their systems. Having done so, the organism was presumed to remain inert until again disturbed. In fact, however, both humans and animals often disturb their own "steady state." They don't remain inert, but seek out stimulation, the relief of boredom. Hence the drive-reduction framework has come to be replaced by one of arousal level—and zero is not the optimum.

But that's not all. It seems that what matters is not only comfort—being at the optimum level—but pleasure, the feeling that accompanies *changes* in the arousal level. This schema seems well supported by neurophysiological evidence, which Scitovsky summarizes; in addition, it meshes with familiar experience, for example, that the process of achieving a goal is more satisfying than being in the state of having attained it. But it is also evident, then, that "to some extent, pleasure and comfort are mutually exclusive alternatives, confronting the individual with a conflict he must

resolve." Enter choice, or the opportunity for it. Enter also economics, although, as Scitovsky points out, "economic activity... is only one of the many sources of satisfaction."

He goes on in subsequent chapters to integrate economic activity and welfare into the psychologists' broader framework. There are interesting points along the way, but there also, at times, clichés and frustratingly unsupported generalizations—"competitive pressures" and "the tensions of modern society," or that one person's gain in status brings pain to others.

In the second half of the book, Scitovsky takes up "the American way of life." Drawing well upon the distinction between comfort and pleasure, he maintains that what and how we consume matters so much because affluence makes it very easy to satisfy our basic needs, to achieve comfort. Affluence thus provides a wonderful opportunity to seek pleasure via art, travel, conversation, reading, company-keeping. Yet the data tell the tale that Americans, faced with the comfort/pleasure conflict, have over-consumed comfort and under-consumed pleasure.

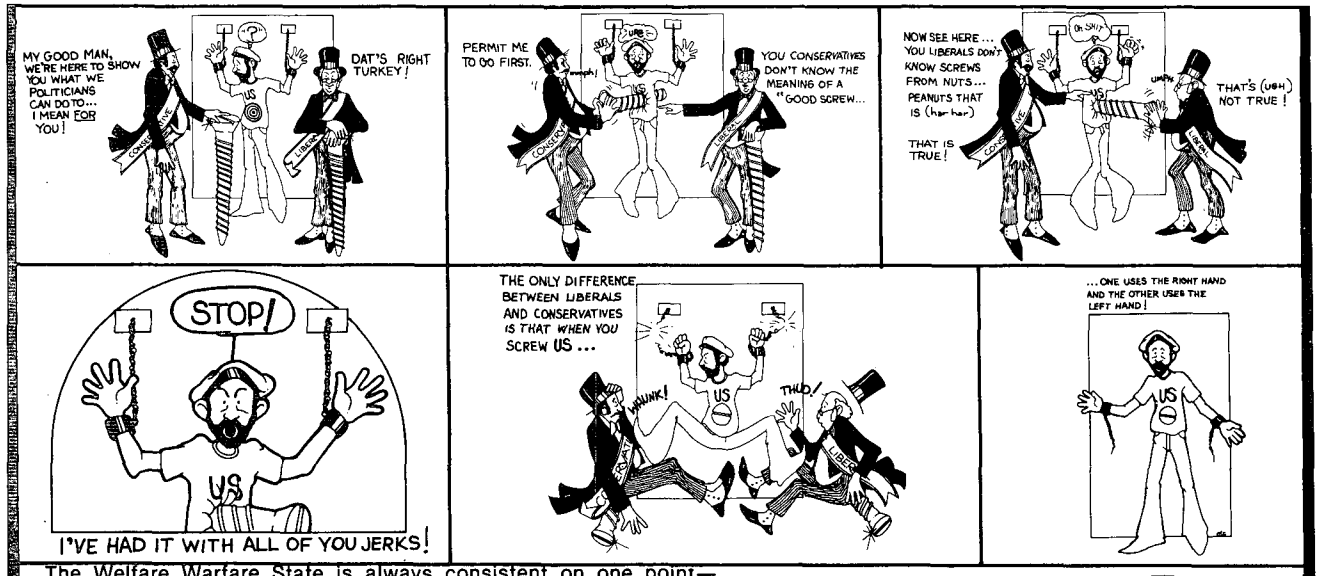
Cultural stimulation, as well as careful purchasing of what will satisfy and satisfy with grace our basic needs, requires skill. Novelty provides maximum enjoyment if it is not completely novel but comes with the already familiar. This, again, is borne out by recent work in psychology, some of it, interestingly, in investigations of people's aesthetic judgments. The already familiar implies prior related knowledge, implies learning; hence, "the consumption of novelty is skilled consumption." Unskilled and effortless pastimes won't do. The chapter on culture, where Scitovsky brings all this together, is the most interesting in the book, and it managed to allay most of my skepticism about his thesis.

Still, there are problems. For example, while questioning at the outset the economist's notion of rationality, Scitovsky himself never gives it up. Rationality applies to economic decisions—achieving comfort, in his schema; somehow it doesn't apply to attaining pleasure. "It is largely our narrow, individual rationality that makes us miss part of the fun others get out of life." And "it is selfish," he says, "if I ignore the benefit from my becoming more cultured to all those destined to share my company." His remedy: "to move to a higher or social rationality, which takes a longer view and considers other people's welfare beside our own." But that is just the inspiration of the Puritan ethic he so deplores! For production was revered because it provided services to others. And after all the discussion of how human beings need and benefit from the pleasure of skilled consumption, why in heaven's name insist that they must consider others' welfare in order to get on the ball? or that rationality wouldn't point one that way?

There are other dismays: his failure ever to observe a distinction between pleasure and happiness, for example; and his recommendations of more subsidies to the arts and mandatory liberal arts courses in schools.

Yet the book is valuable. It is an interesting project to bring together the insights of economics and psychology. He questions economic tenets that have long begged for questioning. He does place much responsibility squarely on consumers' shoulders for their self-professed dissatisfaction in spite of economic well-being. He does encourage consumers to demand quality products and to acquire the skills to determine which they are. Our economy may be joyless, but it needn't be. It's up to us consumers. ◻

Ms. Zupan holds a B.A. in psychology and philosophy and has studied economics at the graduate level.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NOW SEE HERE... YOU LIBERALS DON'T KNOW SCREWS FROM NUTS... PEANUTS THAT IS (har har)
THAT IS TRUE!
THAT'S (UGH) NOT TRUE!
STOP!
I'VE HAD IT WITH ALL OF YOU JERKS!
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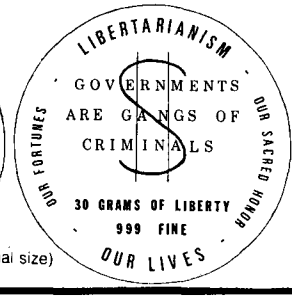


movies

Star Wars • Annie Hall • Wizards

• Behold, I bring you tidings of great joy, which shall be unto all science fiction fans. Yea, the millenium hath arrived, and we can only pay humble thanks to George Lucas for making it so.

But even if you're not a "fan," **STAR WARS** is for you. It's for everybody. It's one of the best damned adventure movies of all time, quite aside from being a breakthrough for a genre that has long suffered from shallow or unsympathetic treatment on the screen.

Star Wars is full of action and adventure—but not the mindless sort done to death on *Space: 1999.* It has all the spectacular special effects of *2001,* but none of the Kubrickian philosophy which turned that space odyssey into *anti*-science fiction. It has inhuman aliens and otherworldly beasts, but as part of the natural background—not as monster movie menaces.

Above all, *Star Wars* is a movie that believes in itself. Extravagent space opera it may be, but the stars all play their roles straight, from Alec Guinness as the old warrior and David Prowse as his evil nemesis to the lesser known Mark Hamill as the young hero, Carrie Fisher as the kidnapped princess and Harrison Ford as a cynical freighter captain. Humor there is, but not a trace of camp or cynicism.

Lucas, who wrote the screenplay as well as directing it, is reported to be an old-time sf fan himself—and the design of the film shows his familiarity with both the genre and classic cinema. The impersonal white armor of the Galactic Empire troops, for example—how science fictional, yet how reminiscent of the Teutonic Knights in Eisenstein's *Alexander Nevsky.*

Star Wars makes the best of special effects—and even of their limitations. Mechanical monsters are hard to make convincing, for example, but the huge, slow-moving banthas are just the thing—you *expect* animals that big to be sluggish. The Death Star, a huge space station capable of destroying entire planets, looks all too real. But, to Lucas' credit, so do the less overtly spectacular scenes—such as Hamill as Luke Skywalker, gazing wistfully into the *double* sunset of his desert homeworld.

Lucas' space opera breathes the essential spirit of science fiction, not only in conveying a sense of the vastness of space and time, but in its respect for intelligence—in whatever form. Skywalker's allies in his quest to save the Galaxy from the Death Star and the tyrants who wield it include the alien Chewbacca (Peter Mayhew) and robots C3PO (Anthony Daniels) and R2-D2 (Kenny Baker). Vicious aliens and mad robots we have had aplenty in films, but here even the non-human villains are defined by behavior, not appearance.

One can raise minor quibbles—Lucas' planets and spaceships don't explode the way things *really* explode in a vacuum, and his space fighters and their tactics too much resemble those of Earthly jets. And you *hear* a lot that can be justified only by dramatic license.

But *Star Wars* is such an accomplishment in its total impact that such quibbles seem pointless. You've seen dozens of movies pretending to be classic science fiction—now go out and see the real thing.

—John J. Pierce

• Toward the end of Chaplin's *City Lights,* there is a moment in which the blind girl Chaplin loves has her sight finally restored; the little tramp has dreaded this moment, because he feels that he is so inferior that if she could ever see his face she would shun him forever, and that the only thing that saved him was her blindness. So when her sight is restored he tries to avoid her; but she seeks him out and sees him before he knows she is there. When he becomes aware of her presence, and that she is seeing him but still smiling radiantly, he first tries to hide, thinking there must be some mistake; then he is dumbfounded and unbelieving; and then his disbelief turns into delight followed by pure ecstasy as he realizes that she has seen him with all his weaknesses and still cares for him. It is one of the unforgettable moments in the history of film; and it illustrates the point that humor, as opposed to comedy, is always trembling on the edge of tragedy.

Woody Allen's previous films have been (or should one say, attempted to be) comic rather than humorous by the above distinction. In my opinion none of them succeeded very well; unlike Chaplin or Keaton or Laurel and Hardy, where the laughter was always spontaneous, Allen seems always to be straining for effect. One laughs, if at all, because one is expected to at this juncture—it is always more contrived than spontaneous. But in the promotional material for **ANNIE HALL** we were promised "a new Woody Allen," with genuine humor and high seriousness rather than just clever comic effects.

Although this film is better than Allen's previous ones, the promise is not fulfilled. Almost all of the comedy is *verbal*: some of the lines (puns, double entendre) are clever, but the comic effect passes instantly and never builds. There is almost none of the humor of visual *action* that one finds in Chaplin and Keaton. There even seems to be some conscious imitation of Chaplin (the insecure little man flanked by two large simians), but this only reminds one of how infinitely more subtle and multi-textured Chaplin's situations are. In Allen it is the dialogue that is funny, seldom the actions or actors themselves. There may be a comic element in the situation of the wacky little man meeting an equally wacky girl, each with a different screw loose, but even that doesn't succeed in being very funny. (He: Do you care to ride with me? She: Oh, do you have a car? He: No, I was going to take a taxi. She: Do you want to ride with me then? He: Oh, do you have a car? She: Of course. He: Well why did you ask me for a ride then? She: I don't know....)

There is an odd mixture of (attempted) comic lines with passing remarks about death, God, psychoanalysis, and the human condition—the stereotypical "New York liberal" syndrome which seems to (but does not) lend the film an air of profundity and seriousness. Nowhere do the ingredients combine to form anything like the tragi-comedy that emerges in Chaplin. There is a somewhat moving moment when Allen is out with a new girl friend pulling the same silly lines on her as he did on the girl he's trying to forget, and the new one doesn't get the point—she takes him literally and he realizes how much he has lost in his earlier wacky partner; and another at the end when we get a montage of scenes bringing home (not very subtly) the emotional impact of an extended close relationship that has ended badly. But there is no coherent mood to this film, and no build-up to anything in particular. One would do better to see again Chaplin's *The Great Dictator* or Keaton's *The General,* or perhaps *Limelight* which features them both, and then wonder all over again whether anything worthwhile in the field of cinematic humor has emerged since that time.

—John Hospers

⊙ Feature-length cartoons have occasionally been successful when done by Walt Disney, especially in imaginative fantasies in which individual characterizations are interestingly and sharply etched, as in *Snow White and the Seven Dwarfs*. But it takes considerable skill and tenacity to sustain the interest in animated characters throughout a full-length film; much more satisfying on the whole are shorter cartoons, such as (perhaps the best one Disney ever did) the translation into film-cartoon of the Hans Christian Andersen story *The Ugly Duckling*.

Cartoons that try for political significance and succeed are few and far between. *Gulliver's Travels* became tolerable children's entertainment by following Swift's story line and forsaking the deeper political and social significance it had in Swift's book. A powerful full-length political cartoon was George Orwell's *Animal Farm*—and only a cartoon could have succeeded in this case. By comparison with that achievement, however, the new attempt, WIZARDS, is a dismal failure. It is yet another attempt to depict the "war is hell" theme, set in a world many millennia in the future, after an atomic holocaust has decimated the human race. Once again there are contending parties ravishing the earth through war. There are occasional attempts at psychological subtleties, but since no ability is displayed in getting us to identify with any of the characters, these attempts will elude children entirely and confuse the adults who made the mistake of accompanying the children to see this film. The plot becomes so confused, or at least confusing, that after a while one no longer cares who is doing what to whom or why, and at last one settles down and absorbs the only aspect of the film that rewards the effort, the visual effects. Some of the colors and shapes would be pleasing to the eyes if one could contemplate them as still pictures.

—J.H.

publisher's notes

⊙ MASTHEAD ADDITION

We are pleased to announce the addition of another distinguished contributing editor. Thomas Szasz is professor of psychiatry at the State University of New York at Syracuse. Szasz has long been the leading advocate of ending involuntary commitment of people with psychological problems. He first came to national prominence with his challenging book, *The Myth of Mental Illness* in 1961. His numerous subsequent books include *Law, Liberty, and Psychiatry* (1963), *The Manufacture of Madness* (1970), *The Second Sin* (1973), *Ceremonial Chemistry* (1974), *Heresies* (1976), and his two newest—*The Theology of Medine* and *Psychiatric Slavery* (both 1977). Szasz has written previously for REASON (January and April 1974) and was interviewed in our October 1974 issue.

⊙ PUBLICATIONS

Charles Koch of Wichita, Kansas has recently acquired *Libertarian Review*. *LR*'s editorial offices have been shifted to New York where Chuck Hamilton has been named publisher and Roy Childs, Jr. becomes editor. *LR* plans to revise its format and to publish on a monthly basis. Koch has also helped organize Cato Institute, which plans to publish a biweekly magazine, *Inquiry*, edited by Ralph Raico and Bill Evers. *Inquiry* will aim at obtaining a left-liberal readership, and plans to begin publication this fall.

A healthy libertarian movement is well served by the existence of many high quality publications. We wish *LR* and *Inquiry* well in the battle for freedom.

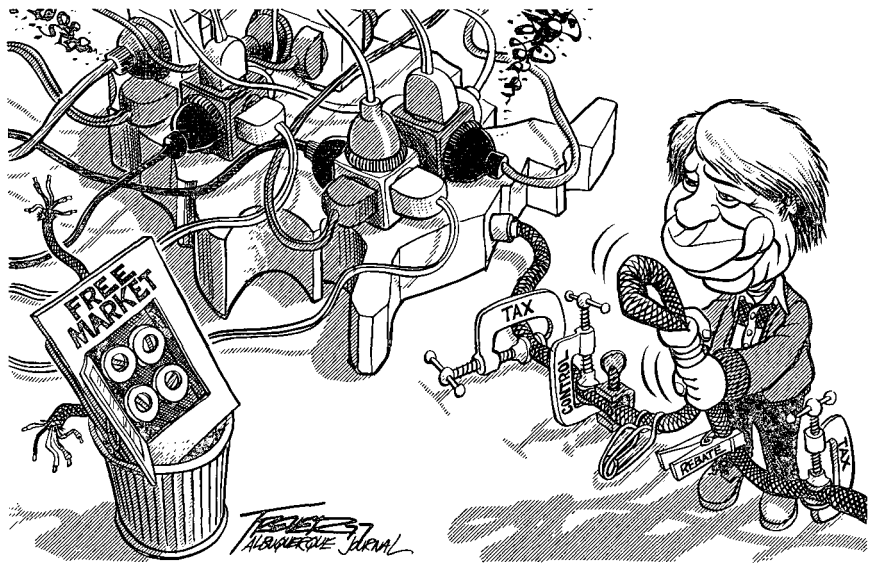
⊙ REASON SKILLS BANK

With increasing frequency we at REASON receive requests for recommendations of qualified people, with a libertarian orientation, to fill specific job openings. In just the past month these have included positions of research director of a county taxpayers association and staff counsel for a House subcommittee. We would like to be able to recommend people for such jobs—but despite our broad contacts around the country, it is usually difficult for us to come up with the right person.

We are therefore setting up the Reason Skills Bank. It will function as a referral service, linking up job-seekers and those with openings to fill. If you are a professional who might be interested in a challenging new job—economist, lawyer, writer, researcher, teacher, etc.—we'll enter your resume in the Skills Bank for just $1.00 per year. On receipt of your dollar and resume, we'll send you a classification questionnaire to assist us further in ascertaining your preferences. Employers using the Skills Bank will be charged $1.00 per referral and a $10.00 finder's fee in the event a person from the Skills Bank is hired. Write to REASON Skills Bank, Box 40105, Santa Barbara, CA 93103.

• CORRECTION

The biographical information given last month about REASON's new art director, Don Wood, inadvertently garbled his educational background. It should have stated that Don received his B.A. in art from the University of California at Santa Barbara, and a Masters of Fine Arts from the California College of Arts and Crafts.



money

Corporations: The Limited Liability Canard

One of the standard arguments made by corporate critics to show that corporations are creatures of the State, rather than purely contractual creations of the market, involves what is called "limited liability." Only the State, they claim, can limit liability, and they go on to suggest that this is some sort of special dispensation designed to defraud creditors and allow corporations to mangle workers and lay waste to the commonwealth from behind some magic wall of legal immunity.

Now there is so much bunk in all these charges and innuendos that one grows weary at contemplating them. To begin with a very simple point, what is called limited liability did not, as an historical matter, depend on any State action. It has been, and still can be, created solely by private contract. It is, furthermore, no anomaly in need of specially justification, but rather a natural and logical result of our traditional notions of moral and legal responsibility.

Limited liability, in this context, means that an individual is not personally liable for the debts of a corporation simply because he happens to own some of its shares. It is nothing more ominous than that.

Some critics, who purport to detect a grave injustice in this rule insist that corporate shareholders should, in a just world, be personally liable for all corporate debts, just as are partners in a partnership. Now, why they should want to treat shareholders as if they were partners (which they aren't), and not as if they were trust beneficiaries, or mortgagees, or elephants, is unclear. The only explanation would seem to be that if they were partners they would be personally liable but if they were something else they wouldn't be (Q.E.D.). All very unprincipled.

What is called limited liability (which is really an unfortunate expression because taken out of context it suggests that a pre-existing liability were somehow limited) is an expression which arose from the practice of firms using such terms as "Limited" or "Ltd." in their names to alert the public that they were *not* partnerships and that persons dealing with the firm must look to the assets of the firm, and not the credit of the owners, for their security. It put them on notice that an employee of the firm was not an agent of the shareholders.

On the face of it, it is hard to see why this rule, which is simply an application of the principle that a person is responsible only for his own acts, should stir the bowels of reformers. The cause of some of their confusion may lie in the historical circumstance that gave rise to the rule.

When capital was scarce and firms were small (and, perhaps, accounting imperfectly developed) the prevailing form of business was the partnership, wherein several proprietors combined to operate a joint enterprise, each being active in the management and each capable of contracting for the whole. Because each proprietor was fully liable for the debts of his enterprise, and each partner was an agent of the enterprise, it logically followed that each partner could, by his acts, make not only himself fully liable for debts of the enterprise, but also make each and every other partner similarly personally liable.

This meant that partners had to be chosen with care and that investors must take an active part in the management of the firm, for they were personally liable for every act of each of the other partners in the pursuit of the firm's affairs. It also meant that persons who didn't have the time, talent, or opportunity to take an active part in closely overseeing a firm's affairs would be very hesitant to invest in any sort of business, and that venture capital would come not from the public at large, as it did in 19th and early 20th century America, but from persons of great wealth and business involvement. There would be no "people's capitalism" and the world would look very different than it does now. There would very likely be less wealth and it would be concentrated in the hands of the Rockefellers, du Ponts, Rothschilds, and other great capitalists who could afford the costs and risks of being a partner in far-flung business undertakings.

This didn't happen because of the rise of the modern business corporation. The corporation which developed in the 19th century is a private contractual relationship which evolved to meet the need to bring together large pools of capital under professional and centralized management. The thousands of persons who supplied capital to these undertakings did so in exchange for various contractual rights, such as the right to participate in the profits of the enterprise, if there were any, and to remove the directors if they became dissatisfied with their management. They were purchasing an investment, not being hired to advise the directors in the management of the company. By this contract, they never had the right to run the company, to make operating decisions, to hire or supervise employees or agents, to make contracts on behalf of the firm, or to do any of the things which partners have a right to do and on which we base the partner's personal liability for the obligations of the firm.

To hold such a shareholder personally liable for a contract or tort of an employee of the firm would be contrary to all principles of justice, for the shareholder never had any of the rights of control or supervision over that employee to justify making him responsible for the employee's actions. In fact, if the shareholder were made liable it would be a great anomally—he would be the only passive investor who was personally liable for the debts of the firm in which he invested. It would be as if a bank depositor were held liable for the bank's debts or you held liable for those of your brother-in-law who is always borrowing money from you.

So we wind up, after a lot of words, seeing that there is simply nothing to the claim that the so-called limited liability of a corporate shareholder is somehow wrong or unjust or in any way dependent on a special grant of State favor. It is simply a natural result of our traditional concepts of an individual's moral and legal responsiblity.

Davis E. Keeler

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LUCIFER'S LEXICON

by L.A. Rollins

black market, *n. The under-the-counter economy.*

common knowledge, *n. Something everybody knows only because everybody knows it.*

deprogramming, *n. Reprogramming.*

do-gooder, *n. An evil-doer; a crusadist.*

God, *n. Big Brother, who art in Heaven.*

induct, *v.t. Abduct.*

jurisdiction, *n. Turf.*

frontlines

Conferences

One of the distinguishing features of the libertarian movement is its intellectuality. The discussion of issues and the analysis of ideas, sometimes in minute detail, are central elements in any libertarian gathering. It is natural that most libertarian gatherings are academic conferences of varying degrees of formality.

The **"Future of Freedom Conference"** at the University of Southern California during the last week of April attracted several hundred libertarians and students. One of the main features of the conference was a debate between David Friedman and Tom Hayden. The issue was "libertarianism versus socialism as the optimal means to achieve freedom." Tom Hayden had been a well-publicized candidate for the U.S. Senate against John Tunney in the California Democratic primary election in 1976. David Friedman, author of *The Machinery of Freedom*, is one of the movement's most inventive anarchist theoreticians.

Exiled Soviet dissenter Pavel Litvinov addressed the conference on future developments in the Soviet Union. This was Litvinov's first major address on the west coast since leaving Russia in 1974 He is one of the most prominent figures in the human rights movement behind the iron curtain.

The conference included talks by popular figures and intellectuals such as John Hospers, Robert LeFevre, Poul Anderson, Nathaniel Branden, John Matonis, and others.

The **Law and Liberty Project** of the Institute for Humane Studies in Menlo Park, CA, is sponsoring a series of conferences on freedom of contract and the legal attacks against it. The initial exploratory conference was held last November in Los Angeles.

The problems which the conference examined included the issues of economic values vs. normative values—how relevant are the demonstrations of positive economics to the case for freedom of contract? What is a contract: property or promise? Part of the reason for the decline of the right to make and enforce contracts may be the deficient definition of a contract in the current legal system. And finally, the conference examined the social tendencies toward a new form of serfdom, in which an individual's legal rights are determined by social status and community relationships rather than by voluntary agreements and contracts.

The **Association for Rational Environmental Alternatives** sponsored a conference in Houston, TX, in May on "Recycling the City: The Entrepreneur as Hero." Speakers included ex-city planner Dick Bjornseth; private redevelopers Jack Stewart, Steven J. Rudy, and Warren Bailey; apartment consultant Terry Parker [see Spotlight, this issue] and other professionals.

AREA is a national organization of professional persons concerned with environmental issues and the investigation of nongovernmental solutions to problems such as pollution and waste disposal, urban decay and recycling. For information contact AREA secretary Werner Kloetzli, Jr. (4006 Chatham Rd., Ellicott City, MD 21043).

Last October, AREA sponsored a conference in northern Pennsylvania in conjunction with Mansfield (PA) State College. Small towns across the nation are severely impacted by the Federal Water Pollution Control Act of 1972, which requires municipalities to install or upgrade sewage disposal systems which often cost more than the total property value of the communities they serve. One reason for the expense is that regulatory agencies have not considered alternatives to the standard chemical/mechanical processing equipment which fits the "tried and true" mentality. The conference examined reprocessing and disposal systems ranging from single-household to regional service plans. The theme of the conference was "Sewage: Waste or Wealth?", which emphasized the production of by-products such as reclaimed land, recreational lakes, fertilizer, etc.

A very special conference was held in Miami last December by the **Law and Economics Center** of the University of Miami School of Law. Nineteen Federal judges from around the country participated in a three-week study course which included lectures by Professors Milton Friedman, Paul Samuelson, Martin Feldstein, Paul MacAvoy, and Henry Manne. Principal lecture responsibilities were carried by Professors Armen Alchian and Harold Demsetz. The textbooks by Alchian and Allen and by Paul Samuelson were supplied to the judges, along with a collection of readings which included Yale Brozen's book, *The Competitive Economy*, the booklet by Demsetz, *The Market Concentration Doctrine*, and other items which supply documentation for the free market analysis of economic issues which frequently become causes of litigation.

Prof. F.A. Hayek observed, in his book, *Law, Legislation and Liberty*, that the economic illiteracy of lawyers and the teaching in law schools that some precedent-setting action which overturned pre-established property rights was "economically necessary," have done perhaps more harm than any other developments in modern history to set back the cause of liberty. The Law and Economics Center, simply by presenting a balanced introduction to economic theory to the very individuals who ultimately rule on the legitimacy of economic regulation, may reverse the course of recent steps toward economic fascism all by itself.

Joe Cobb

washington watch

Continued from p. 42.

Briefly Noted

☐ Rep. Steve Symms' "Medical Freedom of Choice" bill, which would effectively eliminate the 1962 law which tells the Food and Drug Administration to determine whether new drugs are "effective" as well as safe, has over 100 cosponsors and may even get a hearing in the House Health Subcommittee headed by Paul Rogers (D-FL). Letters to your Congressman, Rogers or Commerce Committee Chairman Harley Staggers (D-WV) would help.

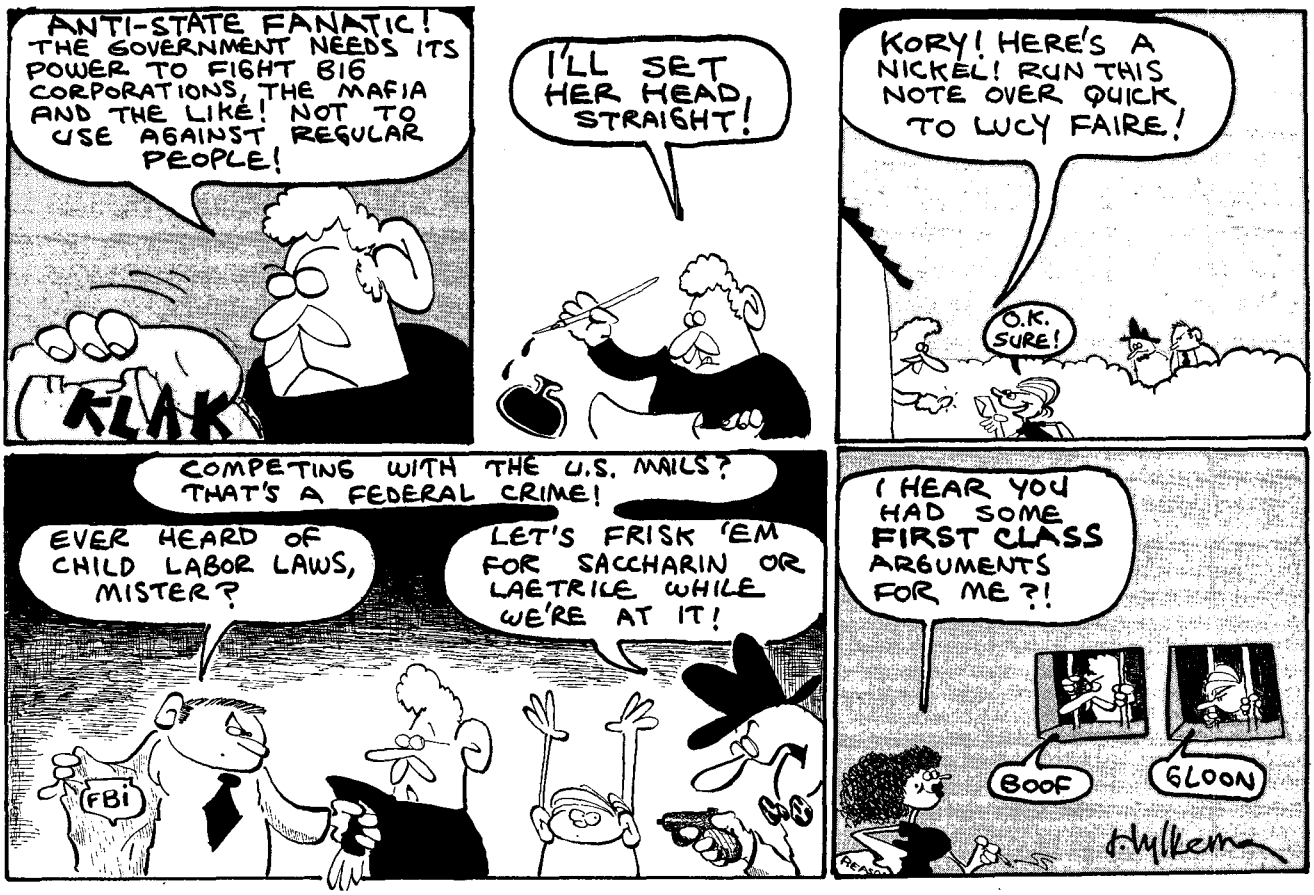
☐ The National Taxpayers Union is picking up bipartisan support for H.J. Res. 353, a constitutional amendment to require a balanced Federal budget. Over 100 sponsors in the House include Martha Keys (D-KS), Andrew Jacobs (D-IN), Paul Simon (D-IL), and Marilyn Lloyd (D-TN) in addition to the predictable Republicans; 26 Senators and 18 state legislatures are also on record in support of the amendment.

☐ A promising piece of "sunset" legislation, H.R. 1960, introduced by Rep. Jim Lloyd (D-CA) would require the abolition of numerous Federal agencies in three years unless they could justify their existence to Congress. Agencies include the CAB, Consumer Product Safety Commission, EPA, FCC, FDA, ICC and SEC. Prospects aren't especially encouraging, but letters to your Congressman and to Jack Brooks, chairman of the Committee on Government Operations would be helpful.

Alan Bock

rudebarbs

by Randall K. Hylkema


ANTI-STATE FANATIC! THE GOVERNMENT NEEDS ITS POWER TO FIGHT BIG CORPORATIONS, THE MAFIA AND THE LIKE! NOT TO USE AGAINST REGULAR PEOPLE!
KLAK
I'LL SET HER HEAD STRAIGHT!
KORY! HERE'S A NICKEL! RUN THIS NOTE OVER QUICK TO LUCY FAIRE!
O.K. SURE!
COMPETING WITH THE U.S. MAILS? THAT'S A FEDERAL CRIME!
EVER HEARD OF CHILD LABOR LAWS, MISTER?
LET'S FRISK 'EM FOR SACCHARIN OR LAETRILE WHILE WE'RE AT IT!
FBI
I HEAR YOU HAD SOME FIRST CLASS ARGUMENTS FOR ME?!
BOOF
GLOON
t.Hylkema

classifieds

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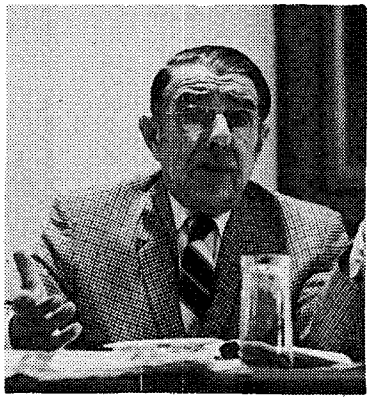
"The government will continue to debase the dollar until it is worth about a nickel."

—Dr. Franz Pick

How will inflation and debasement of the dollar affect you? In an exclusive interview with the *Silver & Gold Report*, Dr. Franz Pick, internationally famous monetary expert, tells you what to expect, why, and how to preserve the value of your money. Here are excerpts from the interview:



What lies ahead for the dollar?

PICK: "The government will continue to debase the dollar until it is worth about a nickel. [Then it] will repudiate its debts by exchanging 10 to 20 old dollars for each new dollar..."

How will this affect the economy?

PICK: "The destiny of the currency is the destiny of the nation... By debasing the currency we have endangered the economic existence of the U.S."

How will the dollar crisis affect investors?

PICK: "[Dollar-denominated assets] will be wiped out ...Many people will be ruined."

About Dr. Pick

Dr. Franz Pick is one of the world's most respected experts on monetary affairs and precious metals. Dr. Pick studied law at the University of Leipzig, monetary theory at the University of Hamburg, and inflation-devaluation theory at the Sorbonne in Paris. His degrees include BS, MA, MBA, LLD, and PHD.

Dr. Pick is the Publisher of *Pick's World Currency Report* and *Pick's Currency Yearbook*, two publications noted for their authoritative and candid assessments of global currency events and trends. Dr. Pick is the author of 6 books on silver and gold, and is a contributor to *Barron's*, *Playboy*, *Harper's*, and the *Northern Miner*.

"In the end the only things of value will be gold & silver."—Dr. Franz Pick

Now, in an exclusive interview with the *Silver & Gold Report*, Dr. Pick discusses his concern for the dollar and why its continued debasement will have disastrous effects on the economy. In this interview, he tells you what he expects to happen to the banking system, corporate profits, and the major types of investments. He recommends a select few purchases that he believes will weather the financial storms that lie ahead.

He examines a wide range of forces in the gold market and gives you his estimates for their likely effect on the price of gold. He gives his estimates for the downside risk in buying gold now—and he explains the benefits of owning silver and gold now.

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